

1/15/79 [2]

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MEMORANDUM

THE WHITE HOUSE
WASHINGTON

5

Sunday Night, 9:00 p.m.

ADMINISTRATIVELY CONFIDENTIAL

To: White House Senior Staff

From: Sarah Weddington

Re: The National Advisory Committee for Women

The President's meeting with the National Advisory Committee for Women was excellent. The summary of the meeting is attached.

A. Background

After the conversations that Hamilton had with Carmen Delgado Votaw (whom he asked to continue to serve as Co-Chair) and Bella Abzug (who was relieved of her position with the Committee), a number of the Committee members worked until 5 a.m. at the Labor Department making calls to ask people to resign. Their line of argument originally was that the President had "fired" Bella because the Committee failed to meet with him in November and because of the press release about the meeting this past week; that Bella had not been responsible for those actions; that the Committee members as a whole were responsible; therefore, they should share the responsibility by resigning. After a few of the representatives of major groups agreed to resign, another argument was added: this is the President versus the women's movement; are you with the movement or against it? Yesterday, Gloria Steinem added a new argument: you are a scab if you stay with the Committee; we will see that the Committee can't be effective; we will picket it if it even meets.

There was heavy lobbying to resign. One Committee member told me she received 8 phone calls; another told me she had never been through such pressure. Several did not want to resign, but felt they could not withstand the pressure.

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B. Press Contact by Abzug and Cohorts

There was a press conference at 11 Saturday. Votaw announced her resignation. Gloria Steinem talked and described Abzug as a "rare bridge" between women and the White House. The members who were representatives of national organizations had brief statements. Abzug gave her view of national politics.

Abzug was on Issues and Answers. She was more moderate than usual but the interviewers must have understood the President's action when the program ended.

Sunday there was a meeting at Ms. magazine. They were evidently contacting people involved with the Houston meeting and trying to indicate the action was against "the spirit of Houston." The only significant statement to the press afterward was to announce a few more resignations.

C. Membership Status

A list of the current status is attached. One who resigned has already asked to return (Billie Masters) and another soon will return (Tin Myaing Thein). Those who have not resigned seem to be firm in staying, including the AAUW representatives. Several who stayed said they were about to resign if the President hadn't taken the action, since the Committee was "hopeless."

We have contacted almost every member of the Committee to offer a continued working relationship with them. The League of Women Voters Board directed their representative to begin conversations with us about how they can work with us; I have breakfast scheduled with the representative (Nancy Neuman) for Thursday. I spoke to the Board of the B&PW Saturday night; their representative resigned but I got a standing ovation after commenting on the items when the President had "stood up for women" and that it was time "women stood up for the President." Millie Jeffery and Ellie Smeal will still come to the meeting on judges tomorrow.

D. Other Actions

Our only press release is attached.

A good many of the Administration women have been contacted. They are supportive of us and will talk to their contacts.

John White has suggested we do something positive with some key Democratic women publicly supporting what the President has done on women; I have asked Gretta Dewald to visit with the key women in the campaign and to put together a plan for us and for John to consider.

I have talked to all the Committee members to indicate our desire to work with them in whatever way is comfortable. I have also said we would consult them about who should be the new chair, and asked for their help on preparing the statement requested by the President.

The general talk outside New York and Washington centers on the difficulties of working with Bella and support for the President. That is true in some circles in Washington. The "hard core" opposition is still feminists in New York.

A plan to picket the White House or the President in Georgia was diverted.

The Press Office yesterday reported few calls to inquire about the situation.

The Florida papers reported that the telegrams of support for the President's action were flooding the White House; as of Sunday night, I was unable to confirm that.

One Committee member was on Memphis TV Sunday night saying the President was absolutely right -- but he should have done it sooner.

We have asked Alexis Herman, Director of the Women's Bureau in Labor, to "watch after" the activities in regard to use of the Committee's phones and other facilities in the Labor Department.

Marjorie Bell Chambers, the President of the American Association of University Women who is on the Committee, is willing to serve as Acting Chair. She is now a registered Republican but served on the President's Advisory Group on education during the campaign. She is a management consultant and very concerned with helping to set up procedures for a better working Committee and better relationships with us. I have Owanah Anderson, another member, checking with the remaining members; so far the 5 contacted think Marjorie would be wonderful. We will complete the check.

E. Comments

We have had remarkably few calls this weekend in my office against the action. We have definitely had more calls from women who want to serve "now that we have vacancies."

One Committee member told me that after the meeting with the President, he asked Abzug what she was going to say to the press. She said she was going to be neither positive nor negative. The member told her that she better be positive and that he was going to be by her side and that if she wasn't he would denounce her right there to the national press. She was positive.

The general comments from those circulating in the general public is one of great understanding of the action.

Several state chapters of the NWPC are upset with Millie Jeffrey's resignation and are contacting her.

F. Future Actions

We will continue this week to seek to be conciliatory.

We need to have as many visible things in furtherance of the Administration's support for women's issues as possible. We previously had scheduled Mrs. Carter to receive at noon Monday, a group of religious leaders for the ERA. We have a meeting Monday afternoon with women's leaders on our efforts regarding placing women in judgeship positions; an option would be for the President to attend and say a few words.

Other comments (Monday morning early)

We need to begin to work immediately with the women's press. I'll start that today.

After conversations with the committee members that remain, at most one or two may yet resign.

Even committee members who resigned have often told me that getting rid of Abzug was the right thing to do and that they were simply getting too much pressure from the "women's movement".

On the judge's briefing session today, a group has worked out that they will tell me at the beginning that they do not approve of the actions taken, but then will go ahead and be part of a productive meeting.

THE PRESIDENT'S REMARKS

TO THE NATIONAL ADVISORY COMMITTEE FOR WOMEN

The meeting was scheduled for 30 minutes. It began at approximately 2:35. Comments were made by Abzug, Votaw, and five others; with three speakers yet to go at 3:30, the President indicated that he would like to share some thoughts with the Committee.

His remarks were substantially as follows:

Thank you for coming to share your concerns with me. The concerns are obvious to all of us, but they needed to be reiterated. On the ERA, you know how much I and my Administration are working for ratification. On the issue of women and the judicial selection process, you must realize that the selection of judges is a partnership between the President and the Senators. (He mentioned specific Senators who are generally liberal on issues but who have failed to submit the names of any women). There must be a local effort to visit with Senators. If Senators will put the names of women on the list, it then gives me an opportunity to submit the name to the Senate. I think we will meet our quotas on blacks and minorities; I would love to have half women, but you must help me with the local Senators.

On employment, I have worked very hard to reduce unemployment. (General comments on unemployment). We have had a net increase of 3 1/2 million adult women, an 11% increase. So long as 1 or 100,000 are unemployed, our efforts are not adequate, but we have had some success.

It would be a real mistake to write-off the consequences of inflation for women. It hurts all, although it hurts the poorest most. It would be such a help if you would say that you strongly support my efforts to combat inflation.

(A few other general comments).

I had hoped for a close consultative and supportive attitude with this Committee. That has not happened. The public thinks that you condemn my Administration and the efforts of Congress on your behalf.

You have a press release ready before you ever meet with me that is 95% negative -- or it may be 100% negative. It certainly doesn't say that we work in partnership. It would certainly help if you said we work together to achieve our goals.

I have no aversion to being criticized. We can certainly have honest differences of opinion. But for this group to stand aloof and to use precious time for condemnation or for a public relations gimmick is not appreciated.

Nothing would be more helpful than for you to meet with Sarah Weddington, my staff, and the cabinet. But the current relationship doesn't help me or Congress.

The only image that the public now has of our relationship is that you cancelled our first meeting. After your press release, issued before I had a chance to respond, it will have the image that you condemn this Administration.

Every one of you was personally chosen. Half of you I know. I see the importance of your role. I know that you represent many women.

There should be no need for me or my staff to cringe when we see a meeting is scheduled with you. I'm a tough politician and I can certainly take criticism, but I thought you were to work with me.

I thought this group was to advise me, to work with me, to have a partnership in common. I never thought that you would use a trip to the White House to get in front of the cameras and criticize all that I have done.

It saps our strengths to be confrontational.

I don't feel that you are my allies. I don't feel that I can turn to you as friends.

I am not writing off the Committee. I am anxious to work with you. But if you met every day with me, you wouldn't get as much out of it as working with Stu Eisenstadt who is so familiar with every aspect of our domestic policy.

I feel discouraged. Congress after arduous debate passed the Civil Service Reform. We made a very strenuous attempt to get the veterans' preference modified. We have reorganized our equal opportunity functions to make them more effective. We extended the ERA deadline. But Congress doesn't feel that what they've done is recognized or appreciated.

This group should be bi-partisan, and to some extent it is. But there hasn't been much progress with this group.

I would like for you to consult with Sarah Weddington, with Stu Eisenstadt, with Anne Wexler, with other members of my staff and my cabinet. Maybe you could establish subcommittees and they could meet with cabinet members. For example, if you had a labor committee they could meet with Ray Marshall. But now you don't have a cooperative spirit at all.

Maybe you see meeting with me more as a public relations gimmick. I know you get more TV coverage if you meet with me first. But I don't see our meetings that way, and I don't appreciate the way it's being used.

I am not condemning anyone. I cannot criticize anyone. I am simply saying that we should find better ways of working together and that something is lacking. I am not claiming it's all your fault. Maybe part of it is mine. I have so many things on my mind.

You could be of help to me -- I could be of help to you. But so far our relationship is a negative one.

(Abzug commented that the Committee was outside of Government, that they hadn't been given enough funds and resources, that their role is to recommend and to initiate, etc.)

I am not looking for flattery. But here I am working so hard on the ERA. The headlines tomorrow will be "Women Attack Carter." That doesn't help the legislators in Florida or Virginia to want to support us on the ERA.

You should have a good bit of independence, and that independence is to be cherished.

I want to ask you to sit with Sarah Weddington and work out a two or three page paper on how to be more effective. Certainly subcommittees can work with cabinet members, as an example. Before our next meeting, we do need a sound basis for working together.

We need for Congress, the Virginia legislator, and others concerned with women's issues to believe that we are working in concert, that we are working together. After we work together, if we can't resolve differences, then be critical.

I hope that my mistakes are forgotten. Your mistakes are forgotten. We do need a better basis for working together.

I believe that we have common goals. We should not let others laugh at our disagreement.

I want to be a good President. Your opinion is important to me. I will seek to work on women's issues so that your opinion of me as President will be a favorable one. I hope that you will work with me in a very close way.

January 13, 1979

Office of the White House Press Secretary

THE WHITE HOUSE

The commitment of this Administration to issues important to the women of the country is strong and permanent. Each member of the National Advisory Committee for Women was personally selected by the President and they are individuals for whom he has great respect and in whom he continues to have confidence. We hope that the members of the Committee will continue to serve in this work which is so important to gain the legitimate rights of women.

The President feels that the Committee can and will be more productive on behalf of women, and individual members on behalf of their constituencies, if there is a harmonious working relationship between the Administration and the Committee's leadership.

The President reached his decision to appoint a new chairperson after concluding that new leadership is necessary to achieve the goals he shares with the members of the Committee and the women of the country.

We are contacting members of the Committee to offer the continued cooperation of the Administration and to urge them to work even more effectively with the President and with other government leaders toward these important goals.

STATUS OF THE NATIONAL ADVISORY COMMITTEE (1/14/79)

RESIGNATIONS: 24

Bella Abzug
Cecilia Burciaga
Sey Chassler
Mary Crisp
Laura de Herrera
Piilani Desha
Donna de Varona
Judith Heumann
Koryne Horbal
Mildred Jeffrey
Jeffalyn Johnson
Florine Koole
Brownie Ledbetter
Joyce Miller
Nancy Neuman
Jean O'Leary
Claire Randall
Carolyn Reed
Jill Ruckelshaus
Ellie Smeal
Marlo Thomas
Maxine Waters
Addie Wyatt
Carmen Delgado Votaw

UNCERTAIN: 2

Esther Landa (out of the country)
Tin Myaing Thein (reconsidering resignation)

REMAINING MEMBERS: 14

Owanah Anderson
Erma Bombeck
Marjorie Bell Chambers
Miriam Cruz
Gretta Dewald
Odessa Komer
Elizabeth Koontz
Mary Helen Madden
Billie Masters (resigned, but decided to come back)
Brenda Parker
Ann Richards
Richard Rossie
Judy Carter
Unita Blackwell

National Advisory Committee for Women

200 Constitution Ave. N.W., Washington, D.C. 20210
Room C5321 (202) 523-6707

STATEMENT BY MEMBERS OF NATIONAL ADVISORY COMMITTEE FOR WOMEN (JANUARY 13, 1979)

CO-CHAIRS:

Bella S. Abzug
Carmen Delgado Votaw

HONORARY CHAIR:

Judy Carter

MEMBERS:

Owanah Anderson
Unita Blackwell
Erma Bombeck
Lilia Preciado Burciaga
Marjorie Bell Chambers
Sey Chassler
Mary Crisp
Miriam I. Cruz
Laura de Herrera
Pilar C. Desha
Dona E. de Varena
Gretta Dewald
Judith Heumann
Koryn Horbal
Mildred M. Jeffrey
Jill Johnson
Lane Kirkland
Odessa Komer
Florine Koole
Elizabeth Koontz
Esther Landa
Brownie Ledbetter
Mary Helen Madden
Billie Nave Masters
Joyce Miller
Nancy Neuman
Jean O'Leary
Brenda Parker
Claire Randall
Carolyn Reed
Ann Richards
Richard Rossie
Jill Ruckelshaus
Eleanor Smeal
Tin Myaing Thein
Made Thomas
Maxine Waters
Addie Wyatt

We are deeply shocked at the President's unwarranted dismissal of our Co-Chair, Bella Abzug, who has acted at the direction and interests of the full Committee. We express our full support for her and Co-Chair Carmen Delgado Votaw, who has resigned in solidarity.

Our committee voted to cancel a 15-minute meeting with the President last November and requested a fullscale, serious session with him because we felt this Administration had not considered women's issues a matter of national priority. It took the President until now to schedule a longer meeting with our Committee, which he appointed in June, and he has held only one previous meeting, for 15 minutes, with representatives of major women's organizations.

At the White House meeting on January 12 we expressed our concern about the President's anti-inflation program because many of his economic savings are at a cost to women and their families, who are already at the bottom of the economic ladder and suffer greatly from continuing discrimination. Although we have repeatedly expressed our appreciation for his efforts in behalf of the Equal Rights Amendment, we also urged him to take more vigorous action to make ERA a reality.

The President's response was not to the issues we brought to him, but rather to use our Co-Chair, Bella Abzug, as a scapegoat in an effort to suppress our independence. We are especially shocked that at our 90-minute meeting with the President yesterday he did not tell our Committee he was planning to ask our Co-Chair to resign.

We had great hopes for this Committee, which attempted to cooperate fully with the Carter Administration in advancing the status of women. We regret the necessity to resign, but we see no alternative. We believe that all women and men of like mind will refuse to participate in an advisory committee in which disagreement with the President and legitimate criticism are not acceptable.

THE WHITE HOUSE
WASHINGTON

1/15/79

TO: THE PRESIDENT
FROM: SARAH WEDDINGTON

For your information.



The New York Times / A. STEIN / AP Wirephoto

President Carter meeting with Bella S. Abzug yesterday before he dismissed her from a Presidential panel on women

Carter, in Angry Exchange, Ousts Bella Abzug From Women's Unit

By TERENCE SMITH

Special to The New York Times

WASHINGTON, Jan. 12 — President Carter dismissed Bella S. Abzug today as co-chairman of his National Advisory Committee on Women after an angry exchange with the former New York Representative at a White House meeting on women's issues.

During the meeting, according to a White House official, "Mrs. Abzug at-

tempted to lecture the President on the duties of the committee and its role in serving the needs of its constituents."

Incensed by this and a critical press release distributed by the committee in advance of the meeting attacking the impact of Mr. Carter's economic policies on women, the President decided to replace the flamboyant and frequently abrasive Mrs. Abzug immediately.

'Unjustifiable Action'

In a joint statement tonight Mrs. Abzug and the other co-chairman, Carmen Delgado Votaw, said, "We are shocked by this totally unjustifiable action." Mrs. Votaw said she was resigning "in solidarity" with Mrs. Abzug.

The job is unpaid, but it includes a Government-paid staff, office, expenses and — most important for a politician out of office — a forum from which Mrs. Abzug has spoken out on women's issues and other concerns.

Earlier in the day, President Carter held a 90-minute meeting with George Meany, president of the American Federation of Labor and Congress of Industrial Organizations. Later Mr. Meany said Mr. Carter had "cleared up the question of

Continued on Page 7, Column 4

NY Times
1/13/79

Carter, in Dispute, Ousts Bella Abzug From Group

Continued From Page 1

our relations and communication." But he stopped short of saying he was happy with the President. [Page 7.]

'No Good at All'

A reporter who encountered Mrs. Abzug leaving the White House after her dismissal found her in a sour mood. Asked how things were going, she shook her head and said, "No good, no good at all."

A senior White House aide conceded that Mrs. Abzug had "not been pleased to hear the news."

The sequence of events surrounding the dismissal added a twist to the episode.

Late yesterday, White House sources reported, Hamilton Jordan, the President's top political aide, received a copy of the highly critical, four-page press release prepared by the committee in ad-

vance of the meeting. It accused the Administration of being insensitive to the needs of women and especially assailed Mr. Carter's decision to increase defense spending in the upcoming budget at the expense of some social programs.

Irritated by the release, the President, according to White House officials, made a tentative decision this morning to dismiss Mrs. Abzug. "It was a decision that was reinforced by the meeting itself," one Presidential aide said later.

"It was really a terrible session," another staff member said; "she lit into him in front of nearly 40 other people," referring to Mr. Carter.

The President apparently did not tell Mrs. Abzug at the meeting that he was going to dismiss her, but, rather, told the committee as a whole that he had been disappointed with the relations between the Administration and the committee. The group was formed in the wake of the stormy National Women's Conference in

Houston in November 1977 to advise the President on women's issues.

Mr. Carter was reported to have told the committee members that he recognized the importance of the group and wanted to work more closely with it, but added that its confrontational politics sapped the strength of the Administration's efforts on behalf of women.

He also was reported to have said that there should be no need for the White House to "cringe" in advance of a meeting with a committee set up to provide advice and assistance.

In fact, today's meeting was the first the group has held with the President. An earlier session, scheduled for last Nov. 22, was canceled by the women when they discovered that only 15 minutes had been allotted in the President's schedule.

Today's session continued for nearly an hour, and White House officials reported that when it was over, the other committee members rose and applauded Mr. Carter as he left the room. Then, accord-

ing to the White House, the committee members drew Mrs. Abzug aside and cautioned her to make a positive statement about the session to the reporters waiting outside the west wing.

In fact, she did more. Smiling broadly, Mrs. Abzug said the meeting had been "very good" and "very satisfactory" and that the President had been "very generous with his time."

Asked if Mr. Carter had succeeded in patching up his differences with the women's group, she smiled slightly and said, "Well, friendship rides a rocky course."

Mrs. Abzug did not realize how right she was. As she was speaking with reporters, a White House aide came out and slipped her a note asking her to return to Mr. Jordan's office. There, she met with Mr. Jordan and Robert Lipshutz, the White House counsel, who told her of the President's decision.

"Bella was told that the relationship with the committee had been neither positive nor productive and that the President felt it required new leadership," a White House official said later.

1/14/79

Abzug Colleagues Resign to Protest Ouster by Carter

WP 1/14/79
By Alice Bonner

Washington Post Staff Writer

Twenty-one members of the 40-member National Advisory Committee for Women denounced President Carter yesterday for his "unwarranted dismissal" of their co-leader Bella Abzug and said they were resigning in protest.

They said Abzug was being used as "a scapegoat in an effort to suppress our independence," and said they were "especially shocked" that Carter hadn't told them during a Friday meeting at the White House that he intended to fire Abzug.

The former New York congresswoman was dismissed as co-chairwoman of the advisory committee moments after the meeting with Carter. Presidential assistant Hamilton Jordan, in a letter to Abzug, said the president believed that new leadership would improve the committee's relationship with the administration.

Carmen Delgado Votaw, the other co-chairwoman, resigned Friday night, immediately after learning of Abzug's dismissal.

The members who resigned yesterday said in a statement released at a press conference that they believe "all women and men of like mind will refuse to participate in an advisory committee in which disagreement with the president and legitimate criticism are not acceptable."

A White House statement in response to the resignations said the administration's commitment "to issues important to the women of the country is strong and permanent." The White House last night was contacting committee members who had resigned, asking them to remain on the panel, the statement said.

See WOMEN, A3, Col. 1

Abzug firing latest Carter confrontation over women's issues. Page A3

WOMEN, From A1

But one committee member said reversals were unlikely.

The administration's alienation of leaders of the nation's most powerful women's organizations, who have been active in the liberal wing of the Democratic Party, could damage Carter politically, especially his 1980 re-election chances.

"No candidate running for president in 1980 is going to get away with it (women's support) as easily as they've gotten away with it before," Abzug said at yesterday's press conference.

Abzug said she found the manner of her dismissal "shocking" and "crude." She said she was called into Jordan's office shortly after she had praised the president and described the committee's first meeting with him in positive terms. Abzug said she later learned that Carter had decided before the afternoon meeting to fire her.

Among the "sins" cited against her, Abzug said, were her "confrontative posture" and in particular the committee's canceling a 15-minute meet-

ing with Carter in November. She said she opposed the cancellation, but members "were unanimously insistent" that the time was too short.

The White House was also annoyed at the issuance of press releases detailing women's grievances against Carter economic policies before Friday's meeting. Abzug said she was absent from committee meetings where the publicized positions were adopted.

"Mr. Jordan said I should have been at the meeting," Abzug recalled. She said she told him she had pressing personal problems. "He said if you have pressing personal problems you shouldn't be chairman of the committee," Abzug quoted.

At another point in the dismissal session, which included White House counsel Robert Lipshutz, Abzug said she asked, "Why am I being made a scapegoat?"

She said Lipshutz became very angry and called her a liar, adding, "The next thing I know you'll be saying you were fired because you're a Jew."

According to Abzug she left Jordan's office without agreeing to resign, after suggesting they "take some

time and figure out with my committee a way that we can continue to work with the administration." Jordan telephoned at her office shortly after to say he would consult the president if she refused. Abzug said it was then she learned that "all the time he knew . . . and the members of our committee were under the impression all was well."

Another White House gripe—that she tried to "lecture" the president during Friday's meeting—was denied by Abzug. She said Carter expressed dissatisfaction with the committee's relations with the White House and "I tried to explain what it is we are trying to do . . . that we have millions of constituents . . . that (women) are outside the government in every sense of the word," Abzug said. "It was explanatory and in no way a lecture."

The members who resigned yesterday said in their statement that they had "expressed concern" to Carter about the effect of his anti-inflation programs on "women and their families who are already at the bottom of the economic ladder and suffer greatly from continued discrimination."

They said they also urged Carter to take more vigorous action to make the Equal Rights Amendment a reality.

Abzug said she has never "been anything but sympathetic and somewhat complimentary" of Carter in working with him on women's issues.

The White House said the president feels "the committee can and will be more productive on behalf of women, and individual members on behalf of their constituency," with leadership

that has "a more harmonious relationship" with the administration.

Response to Abzug's dismissal from women around the country has been "angry but relieved," according to Gloria Steinem, editor of Ms. magazine and the only non-member of the advisory committee to speak at yesterday's press conference. Calls she has received indicate that now Carter "is going to have to do something for us to make up for this breach and in order to get us to vote for him," she said.

At the gathering, which began with a wake-like solemnity but took on the atmosphere of a rally, National Organization for Women spokesman Arlie Scott said the resignations show that women are "now more unified than ever."

League of Women Voters vice presi-

dent Nancy Neuman said women have been "on the back burner of the administration's priorities."

The president "feels women should be seen and not heard," complained Mildred Jeffreys of the National Women's political caucus.

Piilani Desha, former head of the National Association of Business and Professional Women, said the committee's principles and purpose have been destroyed.

Abzug was questioned about reports that President Carter's adviser on women, Sarah Weddington, agreed with her dismissal. Abzug said that "raises the question as to her capacity to represent women in the White House."

The White House had no assessment yesterday of public reaction to Abzug's firing, a spokeswoman said.

Women's Issues

THE WASHINGTON POST

Sunday, January 14, 1979

A 3

Seen Likely to Haunt Carter in 1980

By Bill Peterson

Washington Post Staff Writer

The furor over the firing of Bella Abzug, one of the nation's most flamboyant feminists, is symbolic of the problems President Carter has faced in attempting to grapple with women's issues, difficulties that likely will haunt him within the Democratic Party in election year 1980.

The firing, a bizarre drama played out in a series of White House meetings Friday, was only the latest in a series of Carter confrontations over women's issues that began before his presidential nomination.

Ironically, it comes only a month after the party, with White House approval, moved to require that half the delegates to its 1980 convention be women. This ensured that activist women, already a potent force in the party, will be even more powerful when Carter seeks renomination.

With this group, decidedly more liberal than either Carter or the party as a whole, conflict is almost inevitable. "Any administration that tries to be moderate on women's issues is bound to confront difficulties in this day and age—both from the right and the left," complained one administration official yesterday.

But more was involved in the fight with Abzug than narrowly defined "women's issues." The women's ad-

sory committee which she headed had attacked Carter for his budgetary policies—hikes in military spending and cuts in social programs.

These are the same conflicts that have put him at odds with liberals in his own party. And in a sense the fight with Abzug is reflective of that broader fight.

Carter's relationship with the more militant elements of the women's movement and other liberals has always been tenuous. He wasn't the first choice of many of them in 1976, and his aides worked strenuously to moderate party platform language on abortion and homosexual rights.

Carter, one strategist said, was sympathetic with the general aims of the women's movement, but sensed a "problem of style and taste" with it that alienated much of the country. He wanted to avoid the "radical" label that fell to Sen. George McGovern, the 1972 Democratic nominee, and balance the broad goals of the women's groups with political realities.

During the 1976 platform committee meetings and at the convention, Carter's aides went along with the general liberal thrust of the platform. But they worked to tone down "buzzword" language favored by some women's groups.

One of his key supporters in the convention was Midge Costanza, then

vice mayor of Rochester, N.Y., and co-chairman of Carter's New York campaign. As a reward, she was given a job as the president's highest ranking female assistant and an office just down the hall from his.

Former representative Abzug was credited as a moderating force among the more militant women at the convention, and went away thinking Carter was in her debt. "Bella certainly could have made things more difficult for us," one adviser said at the time.

Last June, Abzug was named co-chairwoman of the National Advisory Committee for Women, an unsalaried job.

Now Costanza and Abzug, both extremely independent and outspoken, are gone from the administration, stripped of their duties in messy episodes that drew protests from women's groups.

Both were declared guilty of not being team players.

Abzug was fired after a controversial press release fell into White House hands. The release, prepared on Thursday for use after a meeting Abzug's group had scheduled with Carter Friday, criticized Carter's proposed cutbacks in social welfare programs and increased in military spending.

These aren't what many would consider women's issues. But aside from

that there were indications that Abzug had attempted to undercut Sarah Weddington, the president's new adviser on women's issues.

Costanza resigned last August after being moved to the White House basement and eased out of many of her duties.

Carter has had other problems with women's groups.

When he first entered the White House they were angry that he hadn't picked more women for top posts, although two members of his Cabinet were women—Commerce Secretary Juanita Kreps and Housing and Urban Development Secretary Patricia Harris.

Later there were complaints about his stand on abortion. He opposes federal financial aid to indigent women seeking abortions, although he refused to support a constitutional amendment outlawing legalized abortions.

There were complaints last fall that the administration was slow to mount a strong effort to extend the time permitted for approval of the Equal Rights Amendment.

The ERA ratification extension was eventually passed with White House approval. Symbolically, Carter's mention of this was the only line that drew loud applause in the president's address to the Democrats' midterm convention in Memphis last month.

NYT 1/14/79

23 Leave Committee Over Abzug Dismissal

By RICHARD HALLORAN

Special to The New York Times

WASHINGTON, Jan. 13 — More than half of the National Advisory Committee for Women resigned today to protest President Carter's dismissal of their co-chairman, Bella S. Abzug.

At a news conference this morning where the resignations were announced, Mrs. Abzug jammed her hands into her pockets and asserted today that she was called a "liar" by a Presidential counsel yesterday and threatened President Carter with political retaliation for her dismissal.

Mrs. Abzug, flanked by eight other women's leaders, called upon American women to redouble their efforts to gain political influence and said Mr. Carter "or any candidate will have to come to us" for support in 1980.

As of late this afternoon, 23 of the remaining 39 members of the advisory committee had announced that they had resigned to protest the dismissal of Mrs. Abzug, the former Representative from Manhattan.

They included Carmen Delgado Votaw,

Continued on Page 18, Column 1



United Press International

Bella S. Abzug being embraced by Gloria Steinem in Washington yesterday

Over His Ouster of Mrs. Abzug

Continued From Page 1

the other co-chairman; Eleanor Smeal, president of the National Organization for Women; Sey Chassler, editor of Redbook magazine; Mary Crisp, co-chairman of the Republican National Committee; Koryne Horbal, a member of the Democratic National Committee's Women's Caucus; Nancy Neuman, second vice president of the League of Women Voters, and Carolyn Reed, a member of the Mayor's Commission on the Status of Women in New York City.

Those women were supported by Gloria Steinem, who was not a member of the advisory committee, and by Americans for Democratic Action, a liberal organization that is based here.

Questions His 'Rationality'

Miss Steinem, who spoke at the news conference, said she questioned the "rationality" of the President in ousting Mrs. Abzug and "the President's ability to perceive his own political self-interest."

She said that at first she was "angered and outraged," as were other women she spoke to, by the White House dismissal of Mrs. Abzug in what Miss Steinem called the "Friday afternoon massacre." But then she said that she and her colleagues were "relieved" and were proud of the women who had resigned, since "they will not be a clique for the re-election of the President."

The White House issued a statement defending President Carter's action as "necessary to achieve the goals he shares with the members of the committee and the women of the country." The statement said the President believed the committee could be productive "if there is a harmonious working relationship between the Administration and the committee's leadership."

In Support of Carter

In support of the President, Mary E. King, deputy director of Action, the umbrella agency for the Peace Corps, VISTA and other Federal offices, issued a statement saying: "Those who seek civil rights should be civil. It is sometimes hard for people who are used to confrontational politics to use common courtesy. The President is seeking fairness for all women, not just a few." She added, "The committee was asked to participate in the Administration, not against the Administration."

A spokesman for Miss King said she had issued the statement on her own authority and had not cleared it with the White House. Miss King is a Presidential appointee.

Americans for Democratic Action sent a telegram to the White House signed by former Representative Patsy T. Mink of Hawaii, who is now national president of the A.D.A., saying the organization "strongly protests President Carter's dismissal" of Mrs. Abzug.

"President Carter's refusal to accept criticism of how the Administration's budget plans will affect women is a serious, unacceptable retreat from his pledge for openness in government," the telegram said.

At the news conference, Mrs. Abzug denied that she had "lectured" the President on women's issues, as asserted by White House officials, during a meeting yesterday between Mr. Carter and the advisory committee. She contended that she had fulfilled her responsibility to "explain" things to Mr. Carter. She also asserted that "the President scolded us" for having been critical of the Administration on women's issues.

After the meeting, she said she had been asked to go into the office of Hamilton Jordan, the President's chief assistant, to meet with him and Robert J. Lipshutz, the counsel to the President.

She said that after Mr. Jordan told her that the President wanted her resignation, she asserted that she was being made a scapegoat for things the President did not like, including a press release critical of the Administration that was issued before yesterday's meeting. At that, she related, Mr. Lipshutz became angry, said he "hated the word scapegoat" and called her a "liar."

A spokesman for the White House said that Mr. Lipshutz did not care to comment on his conversation with Mrs. Abzug.

No Endorsement Now

Asked whether she would support Mr. Carter for re-election in 1980, Mrs. Abzug shrugged and said she never endorsed candidates until she had seen their platforms. She added that no Presidential candidate in 1980 would "get away with it" if he failed to include a strong statement on women's rights in his platform.

Later, Mrs. Abzug said she thought the President "has created a big gap between himself and the women's movement." She was certain that it would have a political effect and added, "I can't believe that they thought this thing through."

Among the other members of the advisory committee who resigned, Piilani C. Desha, president of the National Association of Business and Professional Women, said at the news conference, "We have no choice but to recognize that the effectiveness of this committee has been destroyed."

Nancy Neuman of the League of Women Voters contended that the President's action showed that "women's issues have been on the back burner of national policy decisions." "Now they are in the refrigerator," she said.

The resigning members of the committee also issued a statement saying, "We believe that all women and men of like mind will refuse to participate in an advisory committee in which disagreement with the President and legitimate criticism are not acceptable."

MEETING WITH JUDGE BELL
MONDAY, JANUARY 15, 1979
3:30 p.m.

BABCOCK, Barbara, Department of Justice
BAILEY, Patricia, Department of Justice
BLUM, Barbara, EPA
CANDELA, Christine, President, Women's Equity Action League
CHAMBERS, Marjorie Bell, President, American Ass. of University Women
COHEN, David, President, Common Cause
DERIAN, Pat, Department of State
DEWALD, Gretta, Democratic National Committee
EIDSON, Gerry, President, Business and Professional Women
FOREMAN, Carol, Assistant Secretary, Department of Agriculture
FRASER, Arvonne, Department of State
GREENBERGER, Marcia, Women's Rights Project, Center for Law and
Social Policy
HALPERN, Charles, Director, Judicial Nomination Coalition
HERMAN, Alexis, Department of Labor
HINERFELD, Ruth, President, League of Women Voters
JEFFREY, Mildred, Chair, National Women's Political Caucus
KING, Mary, ACTION
KNOWLES, Marjorie Fine, Assistant General Counsel, HEW
LICHTMAN, Judith, Women's Legal Defense Fund
MACRORY, Ann, Judicial Selection Project
MILLER, Joyce, Coalition of Labor and Union Women
NORTON, Eleanor, EEOC
RAWALT, Marguerite, Board Member, Washington Forum
SHALALA, Donna, Assistant Secretary, HUD
SHATTUCK, John, President, American Civil Liberties Union
SIMMONS, Breen, National Association for the Advancement of
Colored People
SMEAL, Eleanor, President, National Organization for Women
TAYLOR, Lynette, Executive Director, Delta Sigma Chi
THEIN, Tin Myaing, Co-Chair, Asian and Pacific Minority Women's
Caucus
WYATT, Addie, Amalgamated Meat Cutters

WHITE HOUSE

CASBER, Sandra
HAFT, Marilyn
MCKENNA, Margaret
RAINWATER, Betty
TATE, Dan
WEDDINGTON, Sarah

THE WHITE HOUSE
WASHINGTON

1/15/79

Frank Press

The attached was returned in
the President's outbox today
and is forwarded to you for
appropriate handling.

Rick Hutcheson

cc: Zbig Brzezinski

~~CONFIDENTIAL ATTACHMENT~~

DECLASSIFIED

Per, Rise Project

ESD/C: 12-12-84-1

PL 45 AUTH. DATE 6/16/17

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION

FOR ACTION
FYI

	VICE PRESIDENT
	JORDAN
	EIZENSTAT
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	RAFSHOON
	WATSON
	WEXLER
/	BRZEZINSKI
	MCINTYRE
	SCHULTZE
	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

	ARONSON
	BUTLER
	H. CARTER
	CLOUGH
	CRUIKSHANK
	FIRST LADY
	HARDEN
	HERNANDEZ
	HUTCHESON
	KAHN
	LINDER
	MARTIN
	MILLER
	MOE
	PETERSON
	PETTIGREW
/	PRESS
	SANDERS
	WARREN
	WEDDINGTON
	WISE
	VOORDE
	ADMIN. CONFIDEN.
/	CONFIDENTIAL
	SECRET
	EYES ONLY

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Per, Rac Project

ESDN; NLC-126-16-5-1-8

BY 125 NARA DATE 6/29/13

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

THE WHITE HOUSE

WASHINGTON

January 10, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Frank Press *FP*
SUBJECT: US/USSR S&T Agreement (U)

Last July, you postponed my trip to the USSR, the purpose of which was to negotiate fields of cooperation for 1979 in our senior S&T agreement with the Soviets. My sessions with Vice Premier Kirillin (whom you met in 1977) are now scheduled to begin in Moscow on February 4th. This will be a few days after the visit of Teng Hsiao-ping, during which we and PRC will sign a new S&T agreement. (C)

In my discussions with Kirillin, I will agree to several new areas of cooperation and reduce unproductive programs. The overall effort will remain approximately constant. I will not discuss our S&T initiatives with the PRC unless pressed by the Soviets, in which case I will note that it covers peaceful areas and is analogous to our S&T cooperation with the Soviets. (C)

In private discussions with Kirillin I plan to tell him of the growing concern in the US over the anti-semitic campaign directed against Soviets scientists who choose to remain in the USSR, and how this may seriously affect the willingness of individual American scientists to participate in a cooperative program. (C)

Dr. Brzezinski concurs. *LB.*

President approves _____

Other _____

Would you like to see me to give me further instructions?

Yes _____

No _____

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~~CONFIDENTIAL~~

Review on January 11, 1985

~~CONFIDENTIAL~~

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Per, Rac Project

ESDN: NLC-126-16-2-1-8

BY *K3* NARA DATE *6/28/13*

PRESIDENT JIMMY CARTER
MARTIN LUTHER KING PEACE PRIZE
ATLANTA, GEORGIA
SUNDAY, JANUARY 14, 1979

PM VOL-STEN, FM FRY-DEN-LUND,
SEN TALMADGE
~~AMB YOUNG~~ DIPLOMATIC CORPS, ~~GOV RUSSELL~~ - MAYOR JACKSON -
DR MAYS - DR KING - MRS KING - (JESSE HILL - DR ROBERTS) LEG

2 YRS - LEAN - GRAY - OLD - WISE - DADDY KING

I ACCEPT THIS AWARD NOT AS AN HONOR EARNED, BUT AS
AN AFFIRMATION THAT I SHARE THE HOPES AND DREAMS OF
MARTIN LUTHER KING, JR., AND THAT I RECOGNIZE THE PROGRESS
STILL LEFT TO BE MADE. *Together, we will make that*

progress and realize those hopes and dreams!

MARTIN LUTHER KING, JR. LOOKED ABOUT HIM AND SAW

GREAT INJUSTICE.

MANY OTHERS BEFORE HIM ^{*SOME HAD*} HAD SEEN AND DEPLORED RACIAL
PREJUDICE AND THE RESULTING DEPRIVATION AND HATRED, BUT
FOR GENERATIONS, LITTLE HAD CHANGED.

HE LOOKED ABOUT HIM AND SAW MANY OF HIS ^{*OWN*} PEOPLE UNABLE
TO DRINK AT A WATER FOUNTAIN OR SIT AT A LUNCH COUNTER, OFTEN
AFRAID TO ~~EXPECTED TO REFRAIN FROM REGISTERING~~ TO VOTE IN OUR SELF-
ACCLAIMED "WORLD'S GREATEST DEMOCRACY" -- A PEOPLE WITHOUT
POWER OR INFLUENCE, BRANDED AS INFERIOR BY LAW AND CUSTOM.

HE LOOKED ABOUT HIM AND SAW NOT POWERLESSNESS, ...
BUT POTENTIAL. HE BELIEVED IN THE GREAT POWER OF ORDINARY
HUMAN BEINGS WHEN THEY WERE JOINED TOGETHER TO FIGHT FOR
WHAT WAS RIGHT.

-- HE SHOWED US ALL . . .

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HE SHOWED US ALL THAT WE ARE NOT POWERLESS IF WE
CARE ENOUGH,...IF WE ARE WILLING TO SACRIFICE ENOUGH,...
IF WE ARE WILLING TO RISK PUBLIC FAILURE AND HUMILIATION
AND ALWAYS BE READY TO COME BACK AND TRY AGAIN.

MARTIN REMEMBERED THE WORDS OF JESUS: "BLESSED ARE
THEY WHICH ARE PERSECUTED FOR RIGHTEOUSNESS' SAKE, FOR
THEIRS IS THE KINGDOM OF HEAVEN."

HE WAS ABLE TO INSPIRE THE QUIET AND TIMID BY THE
TRUTH OF THESE WORDS. *PROVEN BY HIS OWN ACTIONS.*

WE REMEMBER HIM MARCHING ON AS PEOPLE SPAT ON HIM,
EMERGING TRIUMPHANT FROM JAIL HAVING DEFEATED HIS ENEMIES
WITH HIS SIMPLE AND PEACEFUL REFUSAL EITHER TO GIVE IN OR
TO DESCEND TO THEIR VIOLENCE.

WE REMEMBER HIM MOVING THE GREAT CROWDS -- AND A
NATION -- WITH HIS ELOQUENCE. *WORDS.*

BUT IT IS IMPORTANT, TOO, TO REMEMBER THAT HE TASTED
DEFEAT AS WELL AS VICTORY.

WHEN HE SAID "HOW LONG, OH LORD, HOW LONG?" *IT* WAS NOT JUST A RHETORICAL
FLOURISH. IT WAS THE ANGUISHED CRY OF A HEART THAT KNEW
TOO MUCH SUFFERING BETWEEN VICTORIES.

HE CALLED OUT TO THE BEST IN PEOPLE -- TO THE
COURAGE THEY DIDN'T KNOW THEY HAD,...TO THEIR ENDURANCE
AND PATIENCE AND SIMPLE GOODNESS.

HE SPOKE OF THE AMERICA THAT HAD NEVER BEEN,...OF THE
AMERICA THAT WE HOPE WILL BE.

AN INCREASINGLY
WE HAVE SURVIVED AS A FREE PEOPLE FOR MORE THAN
200 YEARS,...AND WE WILL PREVAIL IN THE STRUGGLE FOR
HUMAN RIGHTS,...BECAUSE MEN AND WOMEN LIKE DADDY KING,
MARTIN LUTHER KING, JR., AND CORETTA, AND ANDY YOUNG --
AND ALL THOSE OTHERS IN THE CIVIL RIGHTS MOVEMENT,... WILL
NEVER STOPPED BELIEVING IN THE PROMISE OF OUR DEMOCRACY,
EVEN IN THE DARKEST DAYS. OTHERS LIKE MYSELF HAVE LEARNED FROM
YOU

WE CAN SPEAK OUT TOGETHER AS ONE PEOPLE ON BEHALF
OF HUMAN RIGHTS AROUND THE WORLD BECAUSE MARTIN LUTHER KING,
JR., AND THE CIVIL RIGHTS MOVEMENT HELPED LIBERATE ALL
AMERICANS FROM THE CHAINS OF OFFICIAL RACISM HERE AT HOME.

DADDY KING SPOKE THE TRUTH WHEN HE SAID: QUOTE:
"TOO MANY PEOPLE THINK MARTIN FREES ^{ONLY} BLACK PEOPLE;...IN
TRUTH HE HELPED FREE ALL PEOPLE."

-- NOW THE CHALLENGE FACING.....

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NOW THE CHALLENGE FACING EACH OF US TODAY,...
BUT ESPECIALLY GOVERNMENT,...IS TO STAY TRUE TO THE TRUST
PLACED IN AMERICA BY THE CIVIL RIGHTS MOVEMENT AND
MARTIN LUTHER KING, *Jr.*

LET NO ONE DOUBT WHERE I STAND. MY ADMINISTRATION
STANDS WITH YOU. WE ARE COMMITTED TO CIVIL RIGHTS. WE ARE
COMMITTED TO EQUAL OPPORTUNITY. WE ARE COMMITTED TO EQUAL
JUSTICE UNDER THE LAW.

AS PRESIDENT OF THE UNITED STATES, I PLEDGE TO YOU:
I WILL CONTINUE TO STRENGTHEN AND ENFORCE THE CIVIL RIGHTS
LAWS OF THIS LAND, FIRMLY AND WITHOUT EQUIVOCATION.

I WILL ENFORCE THE SPIRIT AND THE LETTER OF THE LAW.

MANY OF THOSE RESPONSIBLE FOR ENFORCING CIVIL RIGHTS
IN OUR GOVERNMENT TODAY ARE PEOPLE ^{WHO} ~~YOU~~ STRUGGLED ALONGSIDE YOU
IN THE BATTLE FOR CIVIL RIGHTS: PEOPLE LIKE ELEANOR HOLMES
NORTON AND DREW DAYS AND WADE MCCREE.

I PLEDGE TO YOU: THEY NOT ONLY HAVE MY FULL SUPPORT
AS PRESIDENT OF THE UNITED STATES, BUT THEY HAVE THE
ENCOURAGEMENT OF ^{MANY IN GOV'T} OTHERS, LIKE JOHN LEWIS AND ANDY YOUNG IN
THE ENFORCEMENT OF EQUAL OPPORTUNITY.

IN OUR GOVERNMENT, WE WILL NOT AUTHORIZE FEDERAL TAX DOLLARS TO FUND DISCRIMINATION.

WE WILL CONTINUE TO ATTACK DISCRIMINATION -- IN HIRING AND PROMOTION, ... IN HOUSING AND RED-LINING. BUT WE MUST DO MORE.

FOR TOO MANY YEARS, WE HAVE PASSED EQUAL RIGHTS LEGISLATION IN A CITY WHERE 700,000 AMERICANS ARE DENIED THEIR FULL RIGHT TO VOTE.

IT IS TIME TO GIVE TO THE PEOPLE OF THE DISTRICT OF COLUMBIA THEIR FULL VOTING RIGHTS.

BUT WE MUST AND WE WILL DO MORE.

WE CANNOT OVERCOME 200 YEARS OF DISCRIMINATION SIMPLY BY WRITING THE PROMISE OF JUSTICE INTO THE LAWS OF OUR LAND.

WE MUST AND WE WILL FULFILL THAT PROMISE WITH VIGOROUS AFFIRMATIVE ACTION PROGRAMS.

PRESIDENT LYNDON JOHNSON PUT IT WELL IN THE LAST PUBLIC SPEECH HE EVER MADE. HE SAID:

"TO BE BLACK IN A WHITE SOCIETY IS NOT TO STAND ON LEVEL AND EQUAL GROUND. WHILE THE RACES MAY STAND SIDE BY SIDE, WHITES STAND ON HISTORY'S MOUNTAIN AND BLACKS STAND IN HISTORY'S HOLLOWES."

-- THE ONLY WAY TO.....

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THE ONLY WAY TO OVERCOME UNEQUAL HISTORY IS TO
PROMOTE AND DEFEND AND ENFORCE THE ^{EQUAL} OPPORTUNITY FOR ALL
DISADVANTAGED AMERICANS IN THIS LAND.

AND WE WILL DO IT.

BUT WE MUST AND WE WILL DO MORE. MUCH MORE.

IT IS NOT ENOUGH TO HAVE THE RIGHT TO SIT AT A
LUNCH COUNTER WHEN YOU CANNOT AFFORD THE PRICE OF A DECENT
MEAL.

A GHETTO LOOKS THE SAME EVEN WHEN YOU ARE SITTING
AT THE FRONT OF A BUS.

MARTIN LUTHER KING, JR.'S DREAM LIVES ON AMONG
US TODAY.

BUT TOO MANY DREAMS HAVE DIED,...IN RAT-RIDDEN SLUMS
AND DECAYING HOMES AND NEIGHBORHOODS THAT ARE DYING.

THERE ARE HUNDREDS OF THOUSANDS OF YOUNG PEOPLE --
MANY OF THEM MINORITY YOUTH -- IN OUR COUNTRY WHO HAVE
NEVER HELD A DECENT JOB.

THEY LEARN IN OUR STREETS; NOT IN OUR SCHOOLS. AND
THEY LEARN ABOUT DRUGS, ALCOHOL, SOMETIMES CRIME,...NOT
MEDICINE OR MATHEMATICS OR LAW.

WE CANNOT PERMIT ANOTHER GENERATION OF AMERICANS
TO GROW UP WITH NO HOPE.

LAST 2 YEARS ADDED MORE JOBS - HISTORY

I AM PROUD WE JOINED TOGETHER LAST YEAR AND WROTE
THE PROMISE OF FULL EMPLOYMENT INTO THE LAWS OF OUR LAND
BY PASSING THE HUMPHREY-HAWKINS BILL.

WE HAVE BEGUN TO PUT OUR NATION BACK TO WORK, AND
WE MUST DO MORE.

WE MUST STOP THE INFLATION THAT IS ROBBING THE POOR,
THOSE ON SMALL FIXED INCOMES, THE AGED, AND MANY OF
AMERICA'S POOR YOUNG PEOPLE OF THE FUTURES THEY MIGHT
HAVE.

WE ARE BLESSED WITH A STRONG ECONOMY. I WANT TO MAKE
IT STRONGER. I WANT TO BUILD AN ECONOMY SO EQUITABLE,
SO CREATIVE, SO VITAL, AND SO FREE THAT EVERY ABLE AMERICAN
CAN HAVE PRIDE AND DIGNITY AND SELF-RESPECT THAT COMES
FROM HONEST WORK. *1ST TIME - MINORITY BUSINESS & FAIR
SHARE OF BENEFITS OF FREE ENTERPRISE SYSTEM*

WE MUST AND WE WILL CONTINUE TO PROVIDE EVERY CHILD
IN AMERICA THE CHANCE TO LEARN AND FLOWER AND GROW WITH
THE BEST EDUCATION WE CAN PROVIDE. *LAST YEAR + \$12 BIL. → ED*

~~BECAUSE~~ THE UNITED NEGRO COLLEGE FUND IS RIGHT:
"A MIND IS A TERRIBLE THING TO WASTE". AND THAT IS WHY
IN A BUDGET WHICH WILL FIGHT INFLATION, I HAVE PRESERVED,
AND I WILL FIGHT FOR, NEW SUPPORT TO EDUCATE DISADVANTAGED
CHILDREN IN OUR NATION,...FOR HEAD START,...FOR THE
HANDICAPPED,...AND ALL THOSE TO WHOM AMERICA'S PROMISE
HAS NOT COME.

-- IN A TIME OF NEED,.....

*THE STRUGGLING
COLLEGE STUDENT*

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HISTORICALLY

IN A TIME OF NEED, THIS NATION'S BLACK COLLEGES
WERE A HAVEN OF OPPORTUNITY FOR ALL THOSE DENIED THEIR
EQUAL CHANCE TO LEARN. NOW IN THEIR TIME OF NEED, WE
MUST AND WE WILL USE OUR RESOURCES TO STRENGTHEN AND
PRESERVE THE BLACK COLLEGES AND UNIVERSITIES OF THIS LAND.

JR

MARTIN LUTHER KING SPOKE OUT AGAINST WHAT HE SAW
AS TRAGIC MORAL FLAWS IN THE VIETNAM WAR AND, IN A MOVING
ADDRESS EXACTLY ONE YEAR BEFORE HE DIED, HE WENT BEYOND
ADVOCATING AN END TO THAT WAR TO DEMAND WHAT HE CALLED,
QUOTE, "A TRUE REVOLUTION OF VALUES" -- A WORLD REVOLUTION
HE FELT AMERICA WAS UNIQUELY QUALIFIED TO LEAD.

HE INSISTED THAT WE LOOK AT BOTH OUR POLITICAL AND
ECONOMIC RELATIONS WITH OTHER NATIONS, AND HOLD TO THE
STANDARD OF BOTH DOMESTIC AND INTERNATIONAL JUSTICE.

I AM DETERMINED AS PRESIDENT TO HOLD OUR NATION
TO A HIGH STANDARD OF JUSTICE IN DEALING WITH OTHER NATIONS,
TO RESTORE AMERICA'S LEADERSHIP IN A PEACEFUL WORLD
REVOLUTION THAT DEMANDS FREEDOM AND JUSTICE AND SELF-
DETERMINATION FOR ALL PEOPLE.

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TO HELP ME IN THAT EFFORT, I'VE GOT AT THE
| UNITED NATIONS A MAN AS GOOD AS ANY WHO HAS EVER REPRESENTED
ANY NATION -- MY FRIEND, ANDY YOUNG.

THIS ADMINISTRATION IS WORKING TO RESTORE AMERICA'S
MORAL AUTHORITY IN THE WORLD. AS I HAVE SAID, HUMAN RIGHTS
IS THE SOUL OF THIS COUNTRY'S FOREIGN POLICY.

| SO LONG AS I AM PRESIDENT, AMERICA WILL CONTINUE
TO LEAD THE STRUGGLE FOR HUMAN RIGHTS.

MARTIN LUTHER KING, JR. SAID WE MUST "LAY HANDS
ON THE WORLD ORDER AND SAY OF WAR 'THIS WAY OF SETTLING
DIFFERENCES IS NOT JUST.'" "

HE SAID THAT THE CRUCIAL POLITICAL AND MORAL QUESTION
OF OUR TIME WAS THE NEED TO OVERCOME OPPRESSION AND
VIOLENCE WITHOUT RESORTING TO VIOLENCE AND OPPRESSION.

IT IS STILL THE CRUCIAL QUESTION.

I AM TRYING TO PERPETUATE AND TO SPREAD THE PEACE
OUR NATION NOW ENJOYS, TO USE OUR MORAL FORCE AND GOOD
OFFICES TO GET ANCIENT ENEMIES TO LAY ASIDE THEIR
DIFFERENCES SO THE ENERGIES AND TALENTS OF THEIR PEOPLE
CAN BE USED TO PRODUCE BETTER LIVES INSTEAD OF SUFFERING
AND DEATH.

SOUTHERN AFRICA

Nicaragua

MIDDLE EAST

-- I WAS TRAINED IN THE ART.....

*UNITED AMERICA = STRONG VOICE & WORLDWIDE INFLUENCE
FOR HUM. RTS., FREEDOM & JUSTICE*

I WAS TRAINED IN THE ART OF WAR, BUT I SHARE THIS
DREAM THAT MANKIND CAN FIND A BETTER WAY.

OUR GENERATION KNOWS TOO MUCH OF WAR -- WE HAVE
SEEN IT AS IT IS.

IT IS THOUSANDS OF TONS OF BOMBS FALLING IN THE NIGHT;
MISERY AND DEATH IN A WET AND LONELY FOXHOLE, ON A FROZEN
MOUNTAINSIDE OR IN A STEAMING JUNGLE -- WITHOUT FANFARE OR
GLORY.

*POOR, NOT ABLE GO TO COLLEGE = WERE 1ST TO GO TO
THIS MUST NEVER HAPPEN AGAIN - WAR.*

WAR IS A LITTLE DYING CHILD CRYING IN A BURNED VILLAGE;
AN OLD MAN BURYING HIS YOUNG SON WITH A HEART THAT CANNOT
BE COMFORTED.

IT IS THE DESTRUCTION OF THE HUMAN SPIRIT AND OF ALL
THAT IS BEAUTIFUL AND VALUABLE.

MASSIVE NUCLEAR
WAR HOLDS A REAL THREAT OF ANNIHILATION. ONLY
MADMEN TODAY CAN BELIEVE THAT WAR IS THE SOLUTION TO
ANYTHING.

*HAND OF FRIENDSHIP TO PAST ENEMIES. PROVIDE
= SALT = FOR PEACE*

JUST AS DR. KING AND MAHATMA GANDHI KNEW THAT
NON-VIOLENCE WAS NOT THE COURSE OF COWARDS,...SO OUR
SEARCH FOR PEACE IS A SIGN OF STRENGTH AND NOT WEAKNESS.

WE MUST DEMONSTRATE - OUR VALUES. WORTHY FOR OTHERS

WE WILL NOT PURCHASE A PEACE THAT IS MERELY
SURRENDER OF OUR IDEALS AND BELIEFS, AND NEITHER WILL WE
SEEK TO FORCE OUR VALUES ON OTHERS.

THAT, TOO, WOULD BE A SURRENDER OF OUR *COMMITMENTS &*
PRINCIPLES. *CHERISHED*

DR. KING SPOKE OF NEGATIVE PEACE, WHICH MEANT THE
ABSENCE OF ^{FEAR &} TENSION, AND POSITIVE PEACE, WHICH MEANT
THE PRESENCE OF JUSTICE.

IT IS THIS POSITIVE PEACE THAT WE NOW SEEK --
PEACE THAT KEEPS ALIVE HIS AUDACIOUS DREAM THAT ALL PEOPLE
CAN HAVE FOOD AND HEALTH CARE FOR THEIR BODIES, ...
EDUCATION AND CULTURE FOR THEIR MINDS, ... AND DIGNITY,
EQUALITY AND FREEDOM FOR THEIR SPIRITS.

IT IS THIS IDEAL AMERICA -- AN AMERICA THAT HAS NOT
YET BEEN BUT THAT CAN BE -- THAT WILL BE -- THAT WE SEEK
FOR OUR OWN CHILDREN AND THOSE YET TO COME.

AS PRESIDENT I WILL FOLLOW THROUGH ON THE CONTINUING
REVOLUTION OUR FOUNDERS STARTED, TO MAKE OUR NATION A
STANDARD OF JUSTICE AND FREEDOM AND OPPORTUNITY.

TOMORROW WE CELEBRATE THE 50TH ANNIVERSARY OF THE
BIRTH OF MARTIN LUTHER KING, JR.

I SUPPORT THE DEMOCRATIC PLATFORM CALL FOR MAKING
HIS BIRTHDAY A NATIONAL HOLIDAY. I HOPE THAT IN THIS
ANNIVERSARY YEAR I WILL BE ABLE TO SIGN A BILL PROCLAIMING
JANUARY 15 AS A NATIONAL HOLIDAY IN HONOR OF DR. KING'S
PRINCIPLES AND ACCOMPLISHMENTS.

WE MUST NEVER FORGET HIS DREAM. *TOGETHER, WE CAN*
MAKE IT COME TRUE.

THE WHITE HOUSE
WASHINGTON

Jack + Phil
have copies

THE WHITE HOUSE
WASHINGTON

1-15-79

To Jack Watson

Please see me this
morning re Daddy King.

JC

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MEMORANDUM FROM
THE OFFICE OF LEGAL AFFAIRS
AND GENERAL COUNSEL

To PATTI MALOOMIAN

As per our telephone call
of this morning, here is the
Presidential Report of Significant
Agency Activities Report we
discussed.

Any problems or questions,
please call me.

*Thanks a
whole bunch,
Patti. Aloha,
Allen*

not submitted

FROM

Allen Pang

CSA's Office of General Counsel
254-5127

DATE

1/15/79
12 noon

Community WASHINGTON, D.C. 20506
Services Administration



MEMORANDUM TO THE PRESIDENT

January 12, 1979

Attention: Rick Hutcheson, Staff Secretary

FROM: Graciela (Grace) Olivarez, Director
Community Services Administration

go

SUBJECT: Weekly Report of Significant Agency
Activities (Week of January 8 - 12, 1979)

Rural Water and Sewer Conference

The Community Services Administration is coordinating the first training and technical assistance conference on rural water and sewer issues. It will be held on January 15 and 16, 1979, in Kansas City, Missouri. The purpose of the conference is to inform federal regional employees, state and local government officials, and other interest groups, of changes in the application of monitoring processes for rural water and sewer. This is to be the first of ten such conferences dealing with these concerns.

Navajo Nation Tribal Council Ceremony

On January 9, 1979, the Director represented the Community Services Administration at the Inauguration Ceremony for the Chairman of the Navajo Nation Tribal Council. The ceremony was attended by 5,000 people, including the governors of Arizona and New Mexico. The Director extended the greetings and best wishes of the President and Mrs. Carter to the Tribal Council in her remarks at the inauguration ceremony in Window Rock, Arizona.

Annual Meeting of the National Urban League

At the invitation of Vernon Jordan, the Director attended the Annual Meeting of the National Urban League on January 10, 1979, in Tucson, Arizona. The Director took the opportunity to continue discussions with Mr. Jordan and his staff regarding possible joint efforts between CSA and the Urban League. Cooperative efforts are anticipated to occur at the national level, as well as among Urban League affiliates, Community Action Agencies, and Community Development Corporations at the local level.

THE WHITE HOUSE
WASHINGTON

1/15/79

Tim Kraft
Jerry Rafshoon
Zbig Brzezinski
Gretchen Poston

The attached was returned in
the President's outbox ~~today~~ yesterday
and is forwarded to you for day
appropriate handling.

Rick Hutcheson

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EIZENSTAT

X KRAFT

LIPSHUTZ

MOORE

POWELL

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MCINTYRE

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ANDRUS

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MOE

PETERSON

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SANDERS

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- per request from
Vicki. Rother.
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MEMORANDUM FOR THE PRESIDENT

23 - ER
NIGHT / JERRY RAE

TK

This feeling is shared by Secretary of State Vance.

- (A) Coming on the heels of the Chinese State Dinner, it would serve as a clear signal that we strongly support our allies in southeast Asia.
- (B) It is a good chance for us to invite many of our political supporters and fundraisers who may not have been included in previous State Dinners.

Gretchen Poston concurs.

✓ agree

..... do not agree



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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

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DEC 27 1978

INFORMATION MEMORANDUM FOR THE PRESIDENT

FROM: Jim McIntyre *Jim*
SUBJECT: Reorganization 1979

This memorandum presents the results of our analysis of the major items on the 1979 reorganization agenda awaiting approval.* Four principal projects are described: natural resources, development assistance, commerce and trade, and food and nutrition. This is not a decision memorandum. It is for information only. It provides important background for a decision memorandum to follow next month. We are requesting Cabinet comments now.** When you return, we will submit a decision document as part of the 1979 agenda package which contains agency views and my recommendations.

The four areas of government under consideration were chosen with the goal of bringing about visible achievements in government performance and efficiency: more service from the same dollars, reduction in personnel and administrative costs, consolidation and simplification of programs, less overlap and duplication. Together with civil service reform, the Department of Energy, and the pending Department of Education, the initiatives described below would give you a reorganization record affecting most of the domestic Cabinet by 1980:

- (1) Natural Resources. The excessive number of Federal natural resources agencies doing much the same thing makes it confusing for citizens to know where to go, costly for businesses delayed by complex permitting requirements, and complicated for the government to develop and implement coherent policy for balancing conservation and development objectives. The natural resources proposal would simplify this structure and help to solve these problems as well as save money for the government and the private sector.
- (2) Development Assistance. The complexity, paperwork and delay in delivering development grants and services to local officials has long been a complaint of mayors, governors, and businessmen. Federal investment in

* Preparations are underway for education reorganization, which you have already approved.

** We are also requesting additional comments now from the senior Executive Office of the President staff.

development programs cannot now be focussed for optimal payoff. Private sector partners often cannot afford to wait months for Federal action. By consolidating programs in this area, we can begin to address these concerns as well as save administrative costs for Federal, State and local governments.

- (3) Food and Nutrition. Although food and nutrition issues are an increasingly important Federal responsibility, no agency is primarily responsible for them. By building Agriculture into a Department of Food and Agriculture, we can move toward a modern agency with responsibility for food from producer to consumer, relate nutrition research to decisions about what crops farmers grow, and broaden the Department of Agriculture's constituency.
- (4) Trade and Commerce. We are not yet prepared to make a recommendation regarding the mission of the Commerce Department. However, our analysis has indicated important deficiencies in the Federal Government's capacities to formulate and implement trade policy and to conduct economic analysis. A major cause of these deficiencies is program fragmentation. We will be able to present you shortly with carefully analyzed and politically tested Commerce Department options.

In short, these options are designed to modernize the structure of government by focussing resources on today's problems, streamlining government processes, and saving money for the public and private sector.

The remainder of this memorandum discusses each set of options in detail. Parts I-IV offer options in specific subject areas. Part V discusses implementation.

I. Natural Resources

A. The Problem

Managing the Nation's natural resources -- land, air, water, oceans, wildlife -- is a substantial Federal responsibility. But organizational fragmentation and overlap make it difficult to do a good job. Exhibits I and II summarize natural resources programs and the current jurisdictional fragmentation of resource programs. This program dispersion creates real problems.

- ° No one official, short of you, can take the necessary overview of resource matters; set policies and priorities; or make decisions with a perspective balanced between conservation and development.

No one addresses natural resources comprehensively, even though extensive interactions in the physical world exist.

Even when policy is developed, often no one has clear authority to carry it out. For example, the Secretary of Interior has been assigned to implement water policy

NATURAL RESOURCES PROGRAMS

EXHIBIT I

Department or Agency	Bureau	Clients	Budget (M)	Personnel	Mission
Interior	Bureau of Land Management	Ranchers, miners, oilmen, recreationists	850.9	5,762	Manages 470M acres of publicly owned lands. Manages oil and gas leasing on the Outer Continental Shelf.
	Bureau of Mines	Mines, mineral industry, government agencies	146.1	2,500	Research on mining and metallurgy technology. Compiles mineral resources inventories and assessments.
	Bureau of Reclamation	Farmers, ranchers, private citizens	596	7,345	Plans, constructs and operates water development projects in 17 Western States, primarily for irrigation & hydropower.
	Fish & Wildlife Service	Public-at-large, hunters, fishermen, conservationists	435.5	5,215	Manages 30M acres of wildlife refuges. Conducts research on fish and wildlife. Protects endangered species. Operates fish hatcheries.
	Geological Survey	Government agencies, State geologists, foreign gov'ts, planners, recreation	640.1	9,552	Performs surveys and research on mineral and water resources, topography, geology. Prepares maps and charts.
	Heritage Conservation & Recreation Service	Public-at-large	842.2	580	Administers Land and Water Conservation Fund. Administers nationwide recreation planning and historic preservation programs.
	Nat'l Park Serv.	Campers, public-at-large	520.7	9,142	Manages 30M acres of National Parks.
	Office of Minerals Policy & Research Analysis	Government agencies	1.5	27	Performs mineral policy analysis.
	Office of Surface Mining	Mining industry, farmers, landowners	115.4	924	Regulates surface coal mining.
	Office of Water Research & Technology	Government agencies, universities	28.4	75	Administers water resources research contracts. Provides grants to universities for research.
Agriculture	Office of Territorial Affairs	Citizens of territories	119.2	182	Responsible for Guam, American Samoa, the Virgin Islands and the Trust Territories of the Pacific.
	Bureau of Indian Affairs	Indians, mineral industry	1,399	12,777	Trustee for Indian lands and monies. Provides social services.
	Forest Service	Foresters, timber industry, recreation	1,824	21,325	Manages 187M acres of Nat'l Forest lands. Provides assistance to State and private forestry program. Conducts forest and range research.
Army	Soil Conservation Service (partial)	Farmers, ranchers, landowners, planners	298.3	4,419	Plans and finances water resource projects in small watersheds, primarily for flood control & drainage. Conducts surveys of soil conditions & prepares maps. Measures snowpack & forecasts water supplies in the West.
	Corps of Engineers (civil)	State and local gov't, farmers, ranchers, boaters, inland shipping interests	2,623	29,000	Plans, constructs & operates water development projects, primarily for navigation and flood control. Regulates disposal of dredged or fill material in inland waters; regulates hazards to navigation. Regulates ocean dumping of dredged material.
Commerce	Nat'l Oceanic & Atmospheric Administration	State governments, airline and marine industry, public-at-large	777	12,530	Manages ocean fishing resources; administers State coastal zone management planning programs; protects marine mammals and endangered species; conducts research and assessments of the marine environment; monitors and predicts weather and climate; conducts research on meteorology and climate; and prepares marine charts and aviation maps.
Water Resources Council		Government agencies, State & local planners	60	105	Develops Federal water policy; administers State & river basin comprehensive water planning programs; establishes guidelines for water project planning; & conducts independent reviews of project plans.

NATURAL RESOURCES ACTIVITIES

Agency	Water Resources	Land Resources	Oceans	Atmospheric Resources	Research, Science & Data Collection
Interior	Plans, constructs, and operates large multiple-purpose water projects, primarily for hydropower and irrigation. Manages freshwater fish hatcheries. Manages Wild and Scenic River System.	Manages 470 M acres of publicly owned land for multiple purposes, including grazing, timber, minerals, recreation, and wildlife habitat. Manages 60 M acres of publicly owned land for special purposes such as National Parks and Wildlife Refuges. Conducts recreation planning and historic preservation programs. Administers Land and Water Conservation Fund. Regulates surface coal mining. Regulates and protects endangered and threatened species of plants and wildlife.	Manages oil and gas leasing on the Outer Continental Shelf which involves support research in marine science and environmental baseline studies. Jurisdictional disputes ongoing with NOAA over future management of seabed minerals. Manages a series of fish hatcheries for anadromous fish.	Conducts a program of weather modification to increase water supplies in the West.	Performs surveys and assessments of mineral resources, including geologic investigations, geophysical surveys, and satellite observations. Conducts broad-based program of water resources research, fish and wildlife research, ecological research, and mining and minerals research, development and demonstrations. Conducts nationwide program of surface and ground water resources monitoring, including water quality. Prepares maps and charts.
Forest Service		Manages 187M acres of National Forests for multiple purposes, including timber, grazing, minerals, recreation and wildlife habitat. Provides technical and financial assistance to State forestry programs.			Conducts forest and range research for Federal agencies. Prepares an annual renewable resources assessment.
Soil Conservation Service (small watershed and soil survey)	Plans and finances multiple-purpose water projects in small watersheds, primarily for flood control and drainage.				Prepares certain land and soil maps. Conducts nationwide surveys of soil conditions and their possible uses; conducts an interagency program of snowpack measurements and water forecasts in Western States.
National Oceanographic and Atmospheric Administration			Administers marine fisheries programs, including research and development programs; protects marine mammals and endangered species; conducts oceanographic data collection and research; administers State coastal zone management planning programs.	Monitors weather and climate and prepares forecasts; issues storm warnings and organizes community preparedness; conducts research on meteorology and weather modification; operates weather and research satellites.	Conducts interagency program of climate research; manages oceanographic and marine science programs; administers grants to universities for basic research in marine sciences. Manages production and distribution of marine charts and aviation maps and approach plates.
Corps of Engineers	Plans, constructs and operates multiple-purpose water projects, primarily for flood control and navigation. Regulates disposal of dredge and fill material in inland waters and wetlands and hazards to navigation.	Manages 8 million acres of reservoir lands for multiple uses, with large recreation attendance.	Regulates ocean dumping of dredged materials under EPA guidelines and veto power.		Conducts hydrologic investigations and collects water resource data. Manages engineering research in support of new construction techniques. Conducts recreation and environmental studies.
Water Resources Council	Develops water resources policy. Manages comprehensive river basin and State water resources planning. Establishes guidelines for planning of water projects. Conducts an independent review of project plans.				

reforms, but he has no authority for Corps project planning.

Relating natural resource programs to other areas, such as international relations, energy and environmental protection, is difficult.

Numerous confusing field systems make it difficult to coordinate policy decisions with State and local governments, respond to regional differences, and provide efficient service delivery.

Responsibilities for each resource area (land, oceans and water) are badly fragmented. For example, water resources policy planning and construction responsibilities are assigned to three operating agencies and the Water Resources Council.

Today's problems will intensify in the future with increasing population, economic growth, and greater demand for outdoor recreation.

- ° Unclear assignment of responsibilities leads to inter-agency competition, duplication of skills, and failure to take advantage of economies of scale.

Interior and NOAA have several areas of contested jurisdiction and overlap, including hydrology, marine biology, mapping and charting, and deep sea mining. Despite numerous coordinating committees, the problems remain. In a recent case, the two agencies spent over \$1 million determining who has jurisdiction over the sea turtle, an amphibious endangered species.

Interior and the Forest Service manage public land for the same multiple purposes. Yet each has its own experts, investment levels, field structure, and systems for dealing with the public, including timber, cattle and recreation industries.

The three water development agencies independently pursue their own project planning studies to support their own construction program levels. This causes unnecessary expense, poorly conceived projects, and extra pressure from hopeful beneficiaries.

All the natural resource agencies have research and data programs but there is no central clearinghouse, making it difficult for agencies and the public to take advantage of each other's knowledge.

- Inconsistent regulations and procedures make it difficult, time-consuming, costly, and confusing for natural resources users.

Recreation services are provided by several agencies. Different priorities in funding levels result in some overdesigned and overstaffed facilities while others are neglected.

Interior and the Forest Service, both managing similar public lands, have different regulations for permits, fees, accounting methods, recreational usage and environmental regulation. This situation is particularly troublesome when the two agencies have adjacent or intermingled land, and users seek permits for grazing, access roads or other uses that cross jurisdictions.

Responsibility for management of the Outer Continental Shelf is vested in Interior. NOAA has most other ocean-related responsibilities and expertise, such as oceanography, fishery regulation and coastal zone planning. This division of closely related programs causes duplication, confusion for developers and environmental groups, and fails to take full advantage of complementary skills.

B. Principal Alternative: Department of Natural Resources (DNR)

Built on a reorganized Interior, a DNR would incorporate the Forest Service, NOAA, the Water Resources Council, and the water planning functions of the Soil Conservation Service and the Corps of Engineers. Once consolidated in a single department, these programs would be realigned into major program components as follows:

- NOAA (Commerce) and Outer Continental Shelf (Interior):
In the new Department, a major component including NOAA and the oceanic programs of Interior would be created, giving the functions high priority.

- ° Forest Service (Agriculture) and Bureau of Land Management (Interior): The experience and professional staff of the Forest Service make it the premier multiple use land planning and research agency in the Federal Government. Within the new Department, the Forest Service would provide the base for this component and, over time, would absorb the Bureau of Land Management.
- ° Geological Survey (Interior) and Soil and Snow Surveys (Agriculture): Most of the resource agencies gather information and do research. Their data and research findings are often in different formats and difficult for States and other agencies to use. By locating these support programs in a sciences component of DNR, they can be made more useful.
- ° National Park Service, Fish and Wildlife Service, Heritage Conservation and Recreation Service (Interior): Within DNR, the National Park Service, Fish and Wildlife Service, and Heritage Conservation Service would be grouped.
- ° Water Resources Council, parts of the Corps of Engineers (Defense), Soil Conservation Service (Agriculture), and Bureau of Reclamation (Interior): Water resources problems are being addressed by your water policy reforms. However, these policy directives can be more effectively and permanently implemented with accompanying organization improvements.

To accomplish this you could transfer to and consolidate in DNR the Water Resources Council and the policy, planning and budgeting functions of the three water development agencies. Detailed project design and construction functions of the Bureau of Reclamation and Soil Conservation Service would be transferred to and consolidated in the Corps, which would become the government's water project construction arm.

The DNR would plan and budget for all water development activities, and the Corps would act as construction agent under strong policy and review controls. The Corps would have an increased design and construction capability to undertake assignments for other agencies. Separating project planning from construction would

remove the incentive to generate plans to support a construction program. Although some inefficiencies may result from separating planning and construction functions, there would be net personnel cost savings of \$38 million annually. About 3,000 planners would transfer from the Corps to DNR and about 8,700 Reclamation and Soil Conservation construction personnel would transfer to the Corps.

We evaluated other options for handling water resources. For example, consolidating in DNR all the functions of the Corps' civil works, Bureau of Reclamation, Soil Conservation Small Watersheds, and Water Resources Council would provide stronger executive direction and greater savings. However, this option would impair the Corps' military construction and mobilization capability and its ability to take on alternate missions.

A third option is to strengthen the Water Resources Council by providing an independent and full-time chairman and designating it as lead agency for water policy. Reclamation functions would be transferred to the DNR along with the rest of Interior, while the Corps' civil works and Soil Conservation Service watershed programs would remain in Army and Agriculture, respectively. The strengthened Water Resources Council would provide policy leadership, independent review of projects, coordination with States, and advice to OMB on budget proposals -- particularly new planning and construction starts. This option creates a minimal organizational change and offers some improved management of water resources programs. In the past, however, interagency coordinating groups have not been strong enough.

Exhibit III graphically depicts the resource and manpower transfers for a Department of Natural Resources.

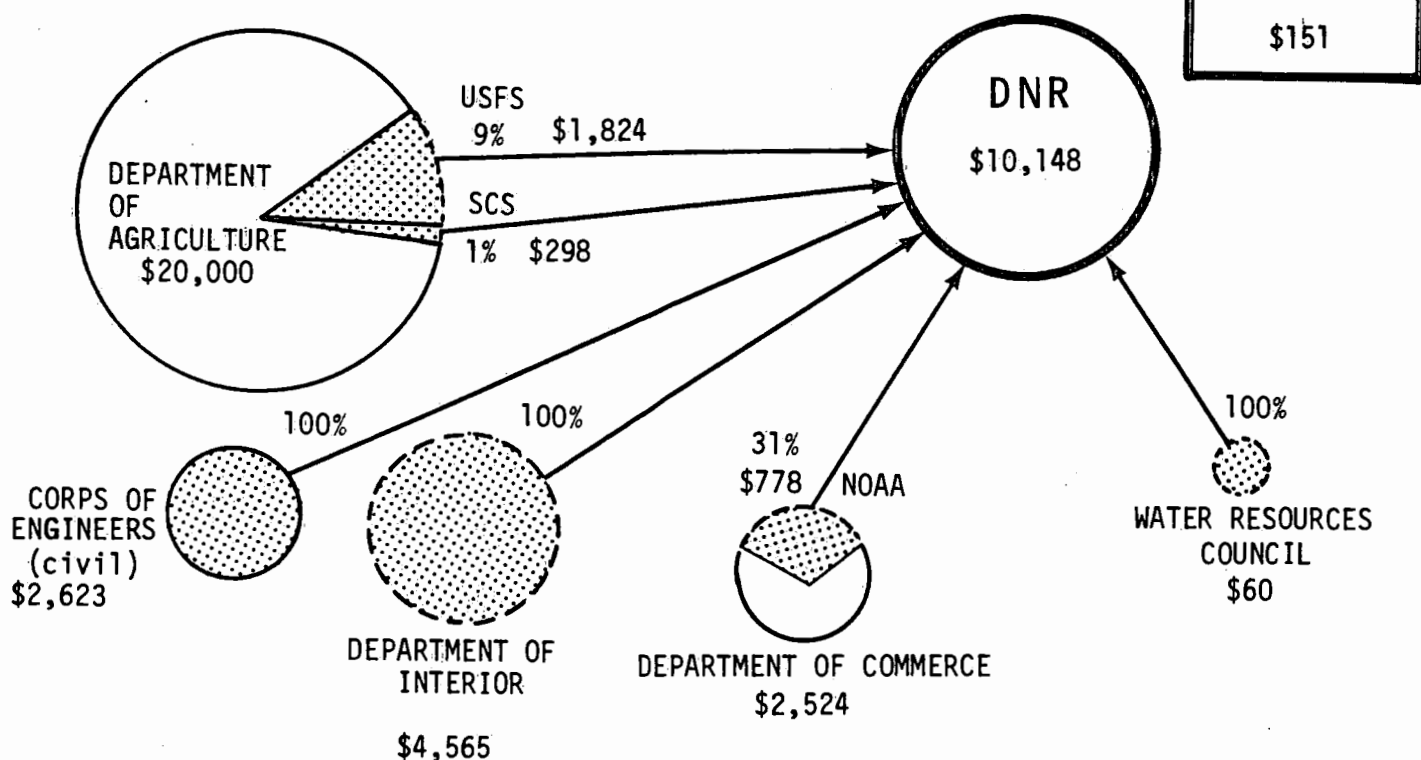
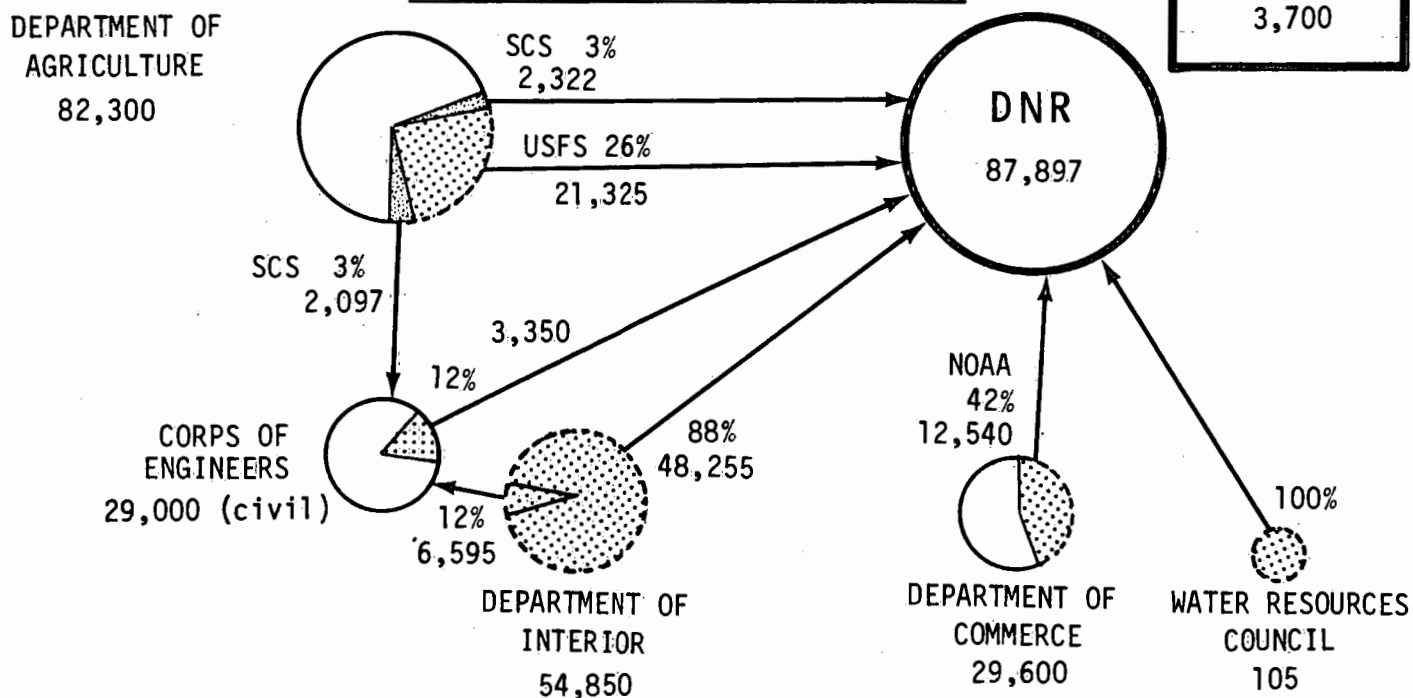
Advantages and Disadvantages

- ° The functions can be performed at the same levels with an estimated savings of \$151 million and 3,700 positions (obtained over several years). These savings result from:
 - merging similar functions, streamlining internal organization, unifying field systems, and improving service delivery; and

DEPARTMENT OF NATURAL RESOURCES

BUDGET AUTHORITY BY SOURCE

(Millions)

PERMANENT POSITIONS BY SOURCE

- abolishing or curtailing unnecessary programs, such as portions of Bureau of Mines metallurgical research programs.
- ° Services will be delivered faster and better. Commercial firms interested in oil and gas leasing on the Outer Continental Shelf or public lands will benefit from a unified regulatory structure and faster decisionmaking process. Recreation users will have easier access to information and special interpretive services. Grazing, timbering, tourism, and fishery interests, permit seekers, and State and local governments will have a simpler relationship with the Federal Government, dealing with only one agency, rather than two or more. Environmentalists and conservationists will have easier access to Federal policymaking as well. Faster rulemaking and consistent regulations for marine mammals and endangered species will benefit both conservation and commercial interests. Simplification and consolidation of fish and wildlife project review and dredging permit review will speed the regulatory process. Better coordinated data collection and consolidated mapping and charting services will make better data available to public and commercial users at lower cost.
- ° A uniform data collection system and exchange of research results will provide a better basis for informed decisionmaking.
- ° Policy and case decisions will be balanced better in an institution having an overview of all resource areas and a broad constituency spanning both development and preservation perspectives.
- ° But: Some argue that separating the Forest Service from Agriculture breaks the links between the two agencies. The Forest Service provides services to farmers who grow trees. The Forest Service has been an effective agency in Agriculture.
- ° But: Some argue that NOAA's fisheries programs are as much an economic development and food related function as they are a natural resource function, that NOAA's programs have been working well at Commerce and that removing them would take 45 percent of Commerce's personnel, which would diminish the importance of the Department.

- ° But: Separating water resource planning from construction functions means that the planners may be out of touch with the construction personnel and the Corps eventually may redevelop a planning capacity.
- ° But: Reorganization always causes short term disruption and cost.

Political Assessment

The DNR has substantial support among conservation groups (National Wildlife Federation, Natural Resources Defense Council, etc.), some State and local officials, and some user industries (e.g., oil, ocean mining). Natural resources opinion leaders like Russell Train, Russell Peterson, and Robert White support it enthusiastically. Former Interior Secretaries Stewart Udall and Thomas Kleppe will help. The ocean community will probably support the DNR once it becomes clear that ocean programs will be given organizational priority. Most environmental groups will support DNR so long as EPA and CEQ are undisturbed; they are also attracted to DNR as a means of promoting water policy reforms. The DNR will be opposed by agriculture interests, probably including foresters, and potential beneficiaries of water projects. If the timber and fishing industries decide to oppose aggressively (as is likely), there could be regional repercussions with the Pacific Northwest and the Southeast.

Senate: Senators Ribicoff, Percy, Jackson, Muskie, and Nelson support this concept. Senator Jackson has indicated strong support and is committed to lead the effort in the Senate.

Senator Talmadge has expressed opposition to movement of the U.S. Forest Service or any part of the Soil Conservation Service out of Agriculture. The rest of the Agriculture Committee members appear to agree with him. Senator Hollings has stated his opposition to moving NOAA out of Commerce. We may be able to convince Senators Magnuson and Stevens to support moving NOAA to a new DNR, and help us persuade Hollings as well.

House: Congressmen Brooks, Horton, Udall, and Bolling support this option. Chairman Udall is willing to be a prime sponsor. His position as Chairman of the Interior and Insular Affairs Committee and his overall leadership in the House are important.

Congressman Breau, a key leader on ocean matters and prime sponsor of an independent ocean agency, appears to be a potential supporter if he obtains assurance of a strengthened oceans agency in a DNR.

Although this proposal does not affect significantly the Merchant Marine and Fisheries Committee, they fear any reorganization in their general subject area.

Congressman Foley, as Chairman of the House Agriculture Committee, will be obliged to oppose any move of the U.S. Forest Service, but he has signalled that he does not expect to prevail. His Committee will be strongly opposed to DNR. Members of the House Public Works Committee, including Chairman Johnson, will oppose any change in the Corps of Engineers. Their opposition may be muted, however, since only parts of the Corps would be moved and the Corps will get additional construction functions.

C. Other Alternatives Considered

(a) Department of Agriculture and Renewable Resources --

This option would consolidate USDA's land and water functions, primarily the Forest Service and Soil Conservation Service, with public land management, water resources, and ocean fisheries from other Departments.

Advantages and Disadvantages

- ° Consolidating in Agriculture would appear to give a greater production emphasis to resource management. For example, development, marketing and use of fish as a food source would become a primary focus of the ocean fisheries program.
- ° Merging the Bureau of Land Management and the Forest Service would solve the problems associated with having two separate land management agencies and build on the Forest Service, the stronger of the two units. Agriculture has experience both in managing public lands and assisting private owners with private land management. Interior has experience with public land only.
- ° But: Public lands are managed for many uses other than the production of food and fiber emphasized by Agriculture. Federal responsibility for those other uses, such as recreation, mineral development and management of

fish and wildlife, would remain in Interior and continue the fragmentation in these areas.

- ° But: Management of federally-owned lands would remain fragmented since park lands and wildlife refuges would still be managed by Interior.

Agriculture interest groups would prefer this option if change is inevitable.

Environmentalists and conservation groups would oppose. Marine fishery interests oppose separation of fishery regulatory programs from other ocean programs.

(b) Improved Coordination Without Major Realignment --

Retain the existing structure and establish a Natural Resources Council, or individual councils for land, water, and oceans to develop policy and coordinate actions. This option would avoid disruption but would create additional layers of government, especially in the Executive Office. Accountability would be confused, and previous results with this type of approach have been poor. This approach could not be presented as a bold solution to chronic problems.

(c) Department of Natural Resources and Environment --

This option would join most natural resource management programs, plus environmental regulatory programs of the Environmental Protection Agency (EPA). This is not a feasible solution because EPA's jurisdiction goes well beyond resource management to include regulation of many other areas, such as urban and industrial wastes. EPA is increasingly oriented toward public health. There is strong interest group and general public support for keeping EPA independent.

(d) Department of Oceans and Atmosphere --

A Department of Oceans and Atmosphere would be responsible for oceans, coastal and atmospheric affairs and would consolidate the bulk of the programs associated with those activities (except for military programs). The Department would include the National Oceanic and Atmospheric Administration (NOAA) and the Maritime Administration from Commerce and the U.S. Coast Guard from Transportation.

The option would recognize the growing importance of the oceans and ocean resources to the Nation. It would also improve coordination among Federal activities relating to the oceans.

However, the Department addresses only a part of the total natural resource issue and would leave other fragmented resource areas unaddressed.

II. Development Assistance

A. The Problem

In your Urban Message and elsewhere, you called for a long-term development strategy to address the problems of local communities, such as loss of jobs, loss of tax revenue base, sub-standard housing, deteriorating community facilities and under-employment. But the organization of Federal development programs makes it difficult to pursue such a strategy.

- ° Programs and resources are severely fragmented.
(Exhibit IV explains the programs involved and Exhibit V depicts the current fragmentation. Exhibit VI depicts the confusing relationships between Federal, State and local organizations.)

Economic development assistance is splintered among ten programs in five different agencies (Economic Development Administration (EDA); Department of Housing and Urban Development (HUD); Farmer's Home Administration (FmHA); Small Business Administration (SBA); and Community Services Administration (CSA)). The proposed National Development Bank would create a sixth. By placing UDAG in HUD and proposing an independent National Development Bank, this Administration has fragmented economic development further.

General community facilities assistance is scattered among 4 agencies (HUD, FmHA, EDA and EPA) and the Title V Regional Commissions.

Nine programs in three agencies (HUD, EDA and FmHA) and the Title V Regional Commissions provide funds for development planning.

The long term economic development programs have no effective links with employment and training programs that are preparing people for jobs.

° Program procedures conflict.

Each of these many programs has its own funding cycle, its own planning requirements, its own eligibility standards, and its own application process, making coordinated use of Federal tools difficult. For example: EDA, HUD, FmHA and EPA all fund portions of public facilities construction projects, but each agency has a different funding cycle, its own reporting procedures, and its own financial records requirements. HUD requires three-year Community Development and Housing Assistance Plans, EDA an overall economic development plan, and EPA an Areawide Wastewater Management Plan and a Facilities Plan.

° Delivery systems diverge widely.

EDA relies on six regional offices.

HUD has 10 regional offices, 40 area offices, 37 insuring offices and eight valuation stations.

The Title V Regional Commissions rely on the States for development planning and programming, while HUD and EDA largely bypass the States.

The FmHA has 42 State offices and 2,445 county offices.

° Authority does not match responsibility.

The current structure has no organizing principle. Agency responsibilities split neither on geographical nor functional lines. For example:

- The Secretary of Agriculture presumably has responsibility for rural development, yet controls less than 30 percent of all rural development grant funds. Definitions of urban and rural vary from program to program.

- The Secretary of Commerce has nominal responsibility for economic development, but major programs in HUD, CSA, SBA and FmHA are utilized for economic development activities. Further, much of the Department's economic development spending ends up in public facilities.
- The Secretary of HUD is responsible for urban programs, but lacks authority for some key urban assistance programs.

This fragmentation causes real problems including:

- ° Confusion and excessive administrative burden and cost at the State and local level. Each program has its own separate regulations, requirements, and management procedures. This causes tremendous confusion at the local level. Small cities, and rural areas in particular, complain that only cities with extensive grantsmanship operations can sort out the maze and get adequate development funding.
- ° Limited ability to involve the private sector. The number of agencies and procedures to be followed for packaging complex projects results in long lead times before projects can get underway. Private investors often cannot afford to wait. One agency's refusal can jeopardize the project, making businesses reluctant to get "tied up" in government red tape.
- ° Inefficient use of Federal personnel and resources. Opportunities to save administrative costs and use more effectively scarce technical talents now spread among the agencies are being lost. In fact, there is a trend toward further entrenchment of the waste and overlap. Three agencies are expanding staffs to conduct similar economic development functions (FmHA, HUD, and EDA), and a fourth is about to be created (The National Development Bank). HUD is hiring economic development specialists from EDA, while EDA is hiring urban specialists from HUD. Meanwhile, HUD, EDA, and FmHA are reviewing plans and applications from the same communities, often for the same project, and while coordination to minimize this overlap is being undertaken, it is very costly and wasteful.

EXHIBIT IV

COMMUNITY AND ECONOMIC DEVELOPMENT PROGRAMS						
Department or Agency	Program	Client	1979 Budget	1979	1/ 1979 Personnel	Mission
			Authority Enacted (Millions)	Loan Authority (Millions)		
HUD	UDAG	All communities meeting "distress" criteria	\$ 400		78	Fosters economic development in distressed cities and urban counties.
	CDBG Entitlement	States, communities, local	2,652		709	Promotes development of viable communities.
	CDBG small cities	public bodies	657			
	701 Planning & Research	States, area wide planning agencies	111		270	Strengthens planning capabilities for community and economic development.
Commerce*	Housing	Private developers, local housing authorities, individuals	26,859		8660	Promotes decent housing and a suitable living environment.
	EDA I, III, IV, and IX	States, counties, communities, meeting "distress" criteria	396		756	Assists distressed areas in increasing or retaining private sector job opportunities.
	EDA Title II	Business in "distress" areas	96.5	289	63	Encourages or maintains private sector job opportunities in distressed areas.
	EDA Trade Adjustment Asst.	Bus. injured by import competition	95	210	11	Allows firms to adjust to import competition.
	Title V Commissions	States in Title V Regions	63		81	Promotes economic development of "lagging" regions.
Agriculture	FmHA (Com. Facilities & Waste Disposal)	States, political subdivisions which serve rural areas	637.9 ^{2/}	1,150	435	Promotes development of viable rural communities.
	FmHA (Bus. & Industrial Loans)	Business in rural areas		1,100	210	Facilitates development of private business to improve the economy of rural communities.
	FmHA (Indust. Dev. Grants)	Public bodies in rural communities	10			Facilitates development of private business to improve the economy of rural communities.
National Development Bank		Local development authorities (for businesses) in distressed areas	3,530**	2,665**	232**	Encourages and assists the retention and development of permanent private sector job opportunities and private sector investment in distressed areas.
SBA	Sec. 501, 502	State and local development corporations	32	95	14	Encourages economic growth and prosperity in States and communities.
CSA	Community Economic Development	Community Development Corporations	48		42	Encourages development in urban and rural low income areas.

*Excludes Steel Loan Guarantee Program, funded with carry-over funds of \$96M.

**Proposed for 1980.

1/ PFT personnel except FmHA which represents man-year equivalent of staff time.
 2/ BA for grants and loans.

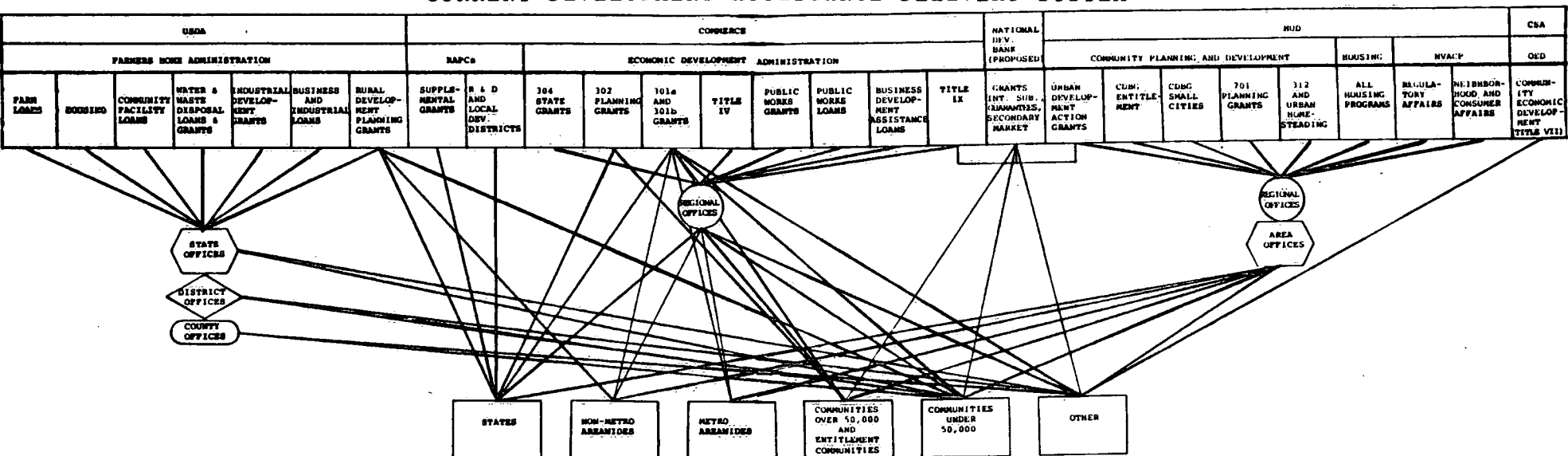
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FEDERAL ASSISTANCE FOR ECONOMIC AND COMMUNITY DEVELOPMENT

Agency	Planning Assistance	Economic Development			Community Development
		Economic Development Loans	Economic Development Grants	Technical Assistance	
EPA	Provides grants to develop the comprehensive planning capabilities of State and local governments, multi-county development districts, and EPA designated small geographic areas.	Provides business loans and guarantees to firms that can demonstrate that jobs and income will be created or saved and that there is a reasonable assurance of repayment.	Provides grants for public works activities, revolving local loan funds and operation of a variety of local, area state and multi-state economic development projects.	Provides direct Technical Assistance and grants to a diverse group of State, local public and private institutions, universities, firms, and professional associations.	Provides community development public works grants and loans, planning assistance, and technical assistance.
HUD	Provides grants to develop the comprehensive planning capabilities of State and local governments, and multi-county area planning areas.	None	Provide grants for business-related public works activities and the operation of a variety of local, state and multi-state economic development projects via UDAG and CDBG.	Provides direct Technical Assistance and grants to a diverse group of State, local public and private institutions, universities, firms, and professional associations.	Provides community development funds for public works planning assistance, technical assistance and operational funds.
SBA (Only Sections 501 & 502 Industrial Loan Programs)	None	Provides via State and local Development Companies funds for business loans and guarantees to firms that can demonstrate that jobs and incomes will be created or saved and that there is a reasonable assurance of repayment.	None	Provides management and technical assistance to small businesses and funds university centers.	None
PSHA (Only Rural Development Programs)	Provides grants to develop the comprehensive planning capabilities of rural communities and multi-county planning bodies. This is provided via the PSHA III program and through the Soil Conservation Service's Research, Conservation and Development Program.	Provides loan guarantees to firms that can demonstrate that jobs and incomes will be created or saved and that there is a reasonable assurance of repayment; rural areas only.	Provides grants to rural areas for development of industrial parks.	Through an extensive field delivery system, an in-depth technical assistance program is made available to State, local public and private institutions, firms and associations.	Provides community development grants for water and waste disposal systems and loans for an assortment of community facilities.
CSA (Only Community Economic Development Programs)	None	None	Provides grant funds to Community Development Corporations which use these funds for investment in for profit businesses that provide employment opportunities.	Provides grant funds to Community Development Corporations which use these funds for provision of Technical Assistance.	Provides grant funds to Community Development Corporations which use these funds for Community Development activities.
Title V Regional Commissions	Provides grants to develop the comprehensive planning capabilities of State Govts. and multi-county planning bodies and development districts, plus special planning activities of the Multi-State Regional Commissions. This is provided via Title V of the Public Works and Economic Development Act of 1965.	None	Provide supplemental public works grants to other basic programs and grants to conduct special demonstration projects of a varied nature.	Provides direct Technical Assistance and grants to State and local governments, multi-state development organizations, private firms and professional associations.	Provides supplemental grants and demonstration projects, planning assistance and technical assistance.
National Development Bank (proposed)	None	Will provide loans, guarantees, and selected subsidies to firms that demonstrate that jobs and incomes will be created or saved and that there is a reasonable assurance of repayment.	Provide grants to businesses as a subsidy to influence their location decisions.	Will provide direct Technical Assistance and grants to State and local governments, multi-state development organizations, private firms and professional associations.	None

Source: President's Reorganization Project

CURRENT DEVELOPMENT ASSISTANCE DELIVERY SYSTEM



- ° Unnecessary rigidity in the system; lack of flexibility to respond to local needs and opportunities; inability to pool and focus limited funds effectively to implement national policy. Each categorical program has a slightly different viewpoint and set of requirements that must be met. Each community must attempt to tailor its strategy to react to the changing mix of often narrow and not always consistent agency viewpoints and corresponding funding levels. Each program has slightly different targeting criteria determining which communities or parts of communities can receive funds.
- ° Lack of policy focus and direction. Fragmented programs and agency responsibilities make it difficult to devise and implement coherent national policies. No one agency can formulate development strategies that balance the needs of communities of different sizes or set priorities among different types of tools.
- ° Difficulties in comparing and evaluating the effectiveness of different approaches because of wide variations in data collection and interpretation among programs and agencies. No agency can evaluate the total impact of economic development programs.
- ° Gaps and overlaps in geographic coverage resulting from the widely different definitions of urban and rural used in different programs and the presence of three different agencies (HUD, EDA and FmHA) providing virtually identical kinds of assistance to smaller communities. With lines of demarcation so blurred (because of the haziness of the underlying demographic distinctions) and responsibilities so confused, some types of communities find themselves sent from agency to agency to get the aid they need.

B. Alternatives:

This section discusses two principal alternatives in detail.

Alternative 1. Department of Development Assistance

This option combines structural and program reforms to create a Department of Development Assistance (DDA) and streamline important features of Federal development assistance programs.

° Organizational Changes

The Department of Development Assistance would absorb the following Federal program responsibilities:

<u>Current Agency</u>	<u>Programs</u>
Agriculture	Community and economic development programs (non-farm and non-housing) of the Farmers Home Administration*
Commerce	Economic Development Administration Title V Regional Commissions
CSA	Community Economic Development Program
HUD	All programs
SBA	501 and 502 programs (loans to State and local development companies)
National Development Bank (Proposed)	All

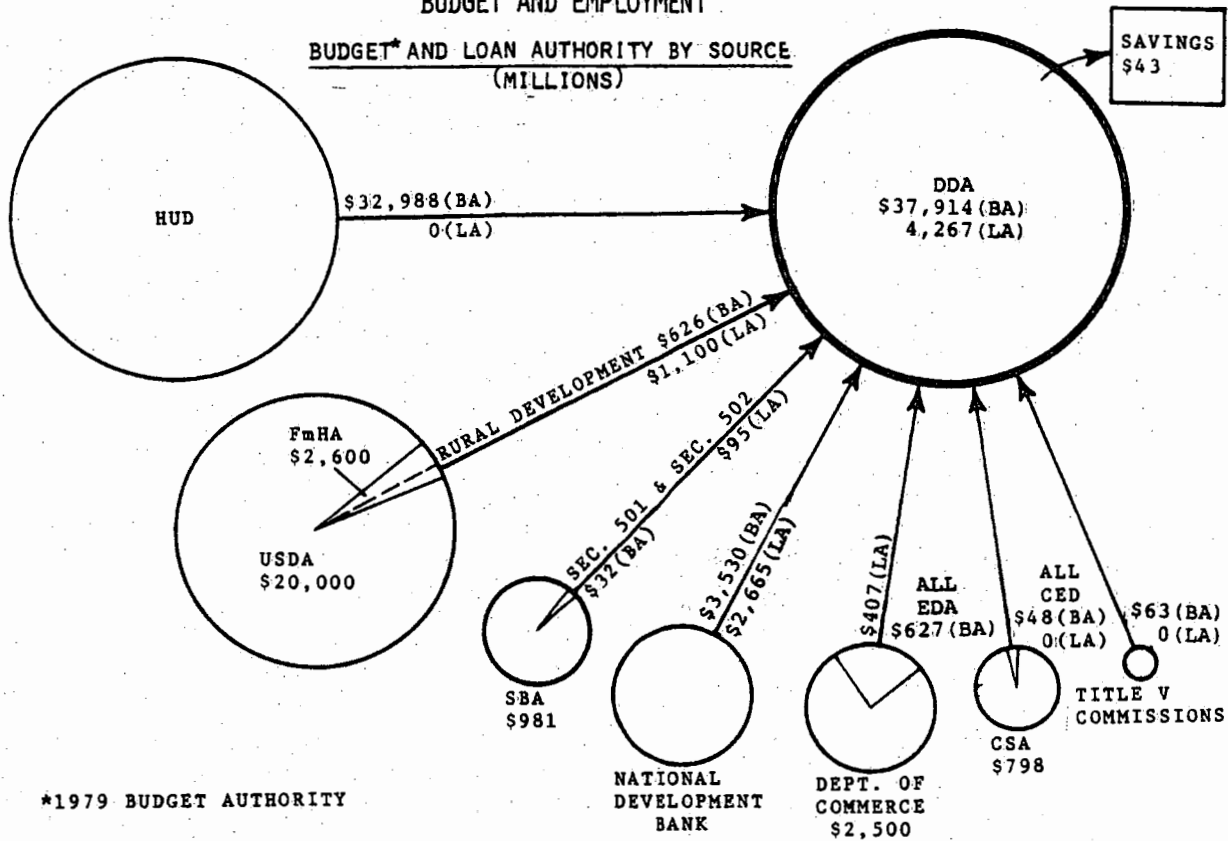
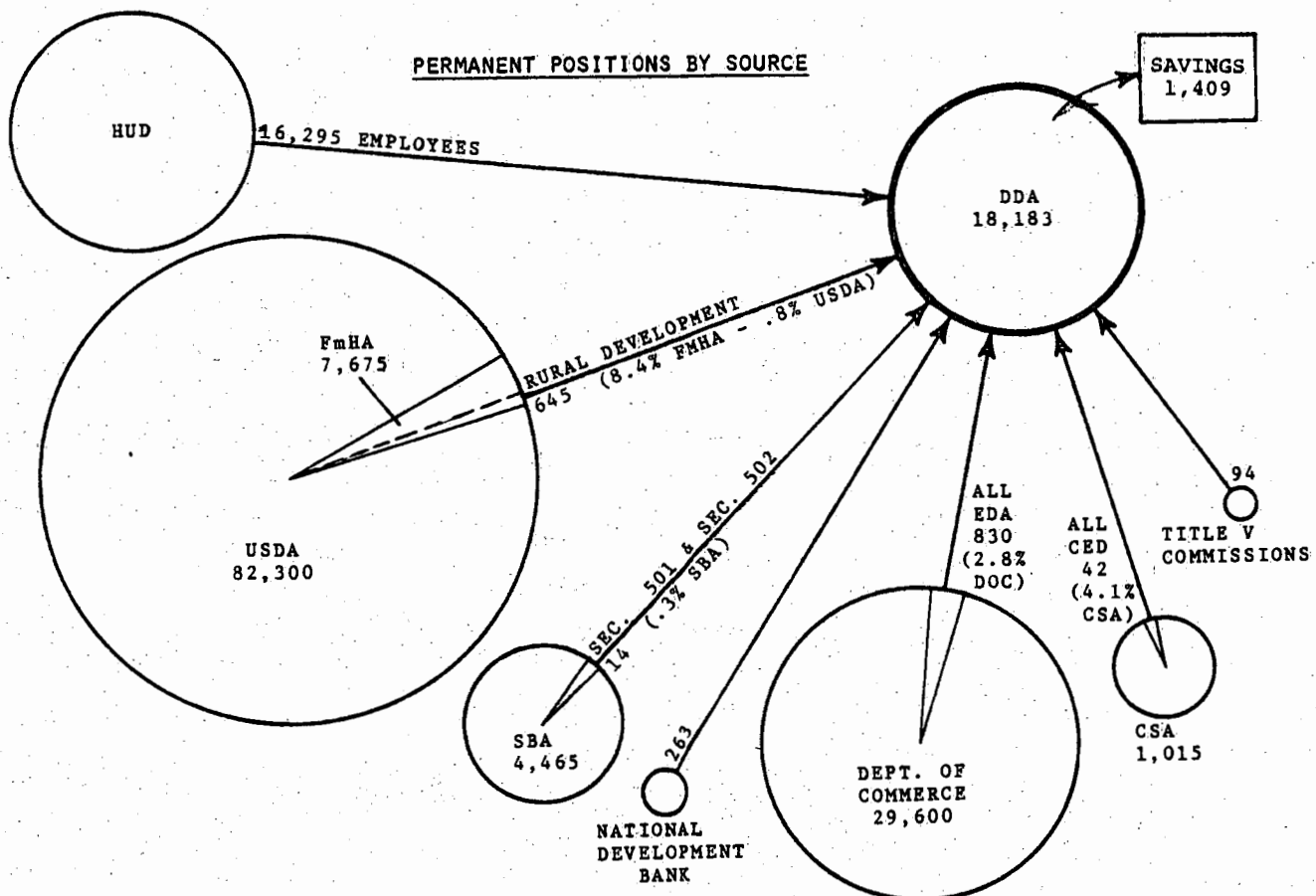
These changes would group the major Federal economic development, community development and development planning programs, as well as many of the housing programs in one place.

Within the Department, economic development would be organizationally separated from housing and community development, thus preserving its emphasis on job creation. The Department would establish organizational identities for urban and rural responsibilities. Exhibit VII depicts the transfer of resources and personnel in this option. Exhibit VIII depicts the simplified delivery of Federal development assistance under this option.

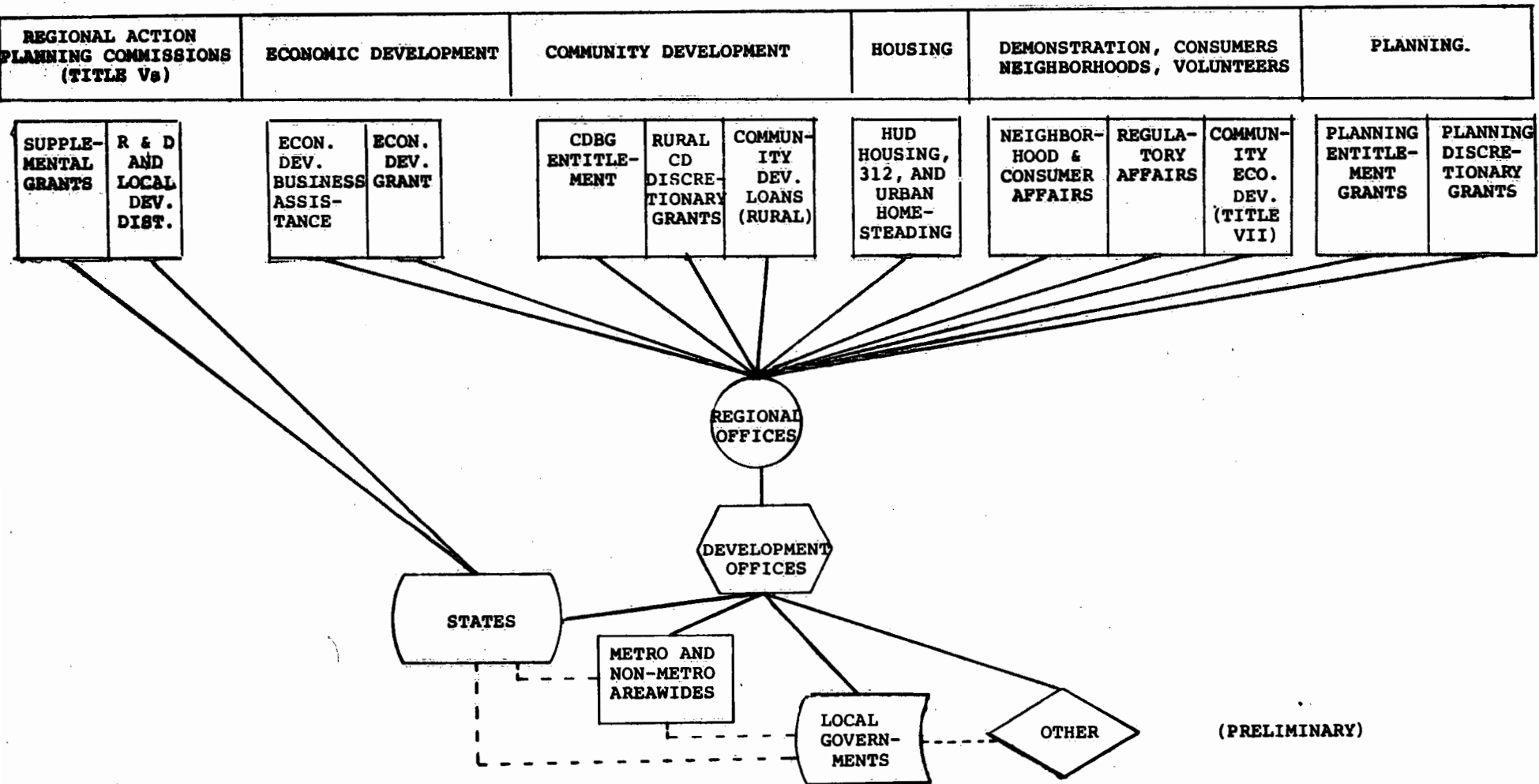
* The Farmers Home housing programs could be added to the Department as well, linking them to similar HUD housing programs and bringing into the Department the extensive Farmers Home field structure. We are exploring the pros and cons of including them.

DEPARTMENT OF DEVELOPMENT ASSISTANCE

BUDGET AND EMPLOYMENT

BUDGET* AND LOAN AUTHORITY BY SOURCE
(MILLIONS)PERMANENT POSITIONS BY SOURCE

DEPARTMENT OF DEVELOPMENT ASSISTANCE



° Programmatic Changes

The creation of the Department of Development Assistance would make possible program changes that would help to solve the problems caused by the current fragmentation. These program changes might be implemented simultaneously with the creation of the DDA or they could be phased in over a period of time. In each case, however, the program change will require some shifting of authority between departments.

- Consolidated Economic Development Assistance Program:

Combine 11 individual economic development grant and loan programs into:

- (1) a consolidated economic development grant program (EDA Titles I, IX, 301 and 304; HUD UDAG; FmHA Industrial Development grants; National Development Bank grants);
- (2) a consolidated economic development loan program building on the proposed National Development Bank. (National Development Bank credit programs; EDA Title II Business loans; FmHA Business and Industry loan guarantee program; SBA 501 and 502 loans to State and local development corporations).

Each of these would be a discretionary program and would be administered by an expanded Economic Development Administration within the Department of Development Assistance.

- Planning Assistance:

Create a single development planning assistance program to replace seven existing planning programs. This program would equip State and local governments to formulate development strategies to get funding from the new department. These strategies would also partly replace the planning requirements of other Federal programs (e.g., transportation, EPA water grants, and employment and training).

- Rural Development:

Create a unified, flexible and more efficient rural community facilities program by merging four existing programs into two:

- ° One for rural community development loans (FmHA water and waste disposal and community facilities loans); and
- ° one for rural community development grants (FmHA water and waste disposal grants, and Community Development Small Cities Grants).

The two programs would be administered by a rural community development unit that would form part of the core of the DDA.

- Housing Simplification:

Work with HUD, the Veterans Administration, and FmHA to streamline application forms, appraisal procedures, and related requirements in the housing programs administered by these three agencies.

- Farm Loans:

Transfer SBA's farm lending authority to the Farmers Home Administration in the Department of Agriculture.

- Labor/Economic Development Links:

Create a system of links between the Federal employment and training programs and Federal development assistance programs.

Advantages and Disadvantages

- ° Combining economic development, community development, and housing offers States, local governments, and businesses one-stop shopping for core development assistance tools.
- ° Equipping a single Cabinet department with tools to help State and local governments pursue a development strategy, would upgrade job creation as a Federal policy focus.
- ° Savings to the Federal Government of \$43 million could be achieved and costs for State and local governments would be reduced.

- ° Combining urban and rural programs in one Department would help to eliminate gaps in coverage while preserving Federal ability to vary programs to suit different needs.
- ° Consolidating economic development programs and planning assistance programs would simplify the Federal structure and make it more accessible.
- ° Placing all economic development programs in one department provides a logical home for the National Development Bank and strengthens the Bank proposal by streamlining and consolidating loan programs.
- ° Consolidating economic development programs allows the Administration to build on the pending EDA reauthorization and use it as a vehicle for consolidating economic development programs.
- ° Consolidating development planning programs will make it easier for State and local officials to set priorities for development funding and tie Federal decisions to State and local priorities.
- ° By bringing together technical personnel administering the various development programs, we can make more efficient use of scarce technical expertise at both Federal and local levels.
- ° But: Opponents would characterize the reorganization as moving EDA to HUD. EDA is considered by many in Congress as responsive and efficient while HUD is regarded as slow-moving and less responsive to Congressional requests.
- ° Some programs which impact on development would remain outside this department (e.g., DOT, EPA, DOL, SBA) and would continue to require Interagency Coordinating Council coordination, but coordination would be simplified by this option.
- ° But: Some argue that this proposal breaks the potential organizational link between economic development in the new department, and microeconomic analysis, which would remain at Commerce, although at present little EDA money is co-managed with trade and other microeconomic programs.
- ° But: Some argue that building on HUD, which has a reputation for excessive regulation and excessive tilt toward social goals, would dilute EDA's business focus. Some argue that economic development would be subordinated to housing concerns in the new department.

- ° But: Some argue that community and economic development will not necessarily be integrated better because urban community development will still be dispersed by formula while economic development funds are discretionary.
- ° But: Reorganization always leads to short term disruption and cost.

Political Assessment

The problems generated by the current program fragmentation are well known and there is wide support for resolving them. Governors (including Carroll, Hunt and Rockefeller) will support this option, especially if they see a greater role for States in non-metro planning and development assistance. Most mayors consulted (like Meier of Milwaukee, Rousakis, President of the League of Cities) support the concept, though they may not commit to active work until after a Presidential decision. Local business interests may support this option, seeing a Department of Development Assistance as providing a more effective stimulus to local economic growth. Civil Rights groups and the urban lobby (e.g., Urban Coalition) should support. Housing interests (e.g., home-builders, mortgage bankers) will support DDA, assuming we maintain the status of housing in the new department.

Rural groups will probably oppose Farmers Home transfers. Some EDA loyalists (among mayors, rural interests, and local development district officials) can be expected to resist the EDA transfer.

Senate: Senators Proxmire, Ribicoff, Percy, Stevenson and Muskie support the proposal. We can expect some opposition from the Public Works (Randolph, Burdick) and Agriculture (Talmadge) Committees, although we are working with the staff to see if an accommodation can be reached. They are concerned that economic development programs will be overwhelmed by the perceived social planning and "red tape" aspects of current HUD programs and lose their identification with rural areas.

House: Congressmen Ashley, Brooks, Horton, Moorhead, Reuss, Bolling, and Rose support this proposal and form the nucleus for a powerful coalition. Congressman Foley may oppose the transfer of parts of Farmers Home. Congressmen Johnson and Roe of the Public Works Committee, may oppose the transfers, although Roe has said he has an open mind.

Alternative 2: Consolidate Economic Development Programs in Commerce Leaving Community Development in HUD and USDA.

This alternative would make a sharp division between economic development programs and community development and housing programs. It would group the major economic development programs together in EDA in Commerce, and leave the community development and housing programs in HUD and FmHA.

° Organizational Changes

The expanded Department of Commerce and Economic Development would absorb the following Federal program responsibilities:

<u>Current Agency</u>	<u>Programs</u>
Commerce	All programs
HUD	UDAG
Agriculture	FmHA Business and Industry Loans; FmHA Industrial Development grants
SBA	501 and 502 programs (loans to State and local development companies*)

These changes would group the major Federal economic development programs in Commerce along with trade, technological information and analysis functions.

Within the Department, economic development would remain organizationally separated from the other business assistance, trade, and information functions to preserve its emphasis on job creation in distressed areas. Within the Economic Development Administration there would be an enlarged Development Bank to provide credit assistance to businesses, and a division to provide economic development and public facilities grants to States, communities and other current recipients.

*

All SBA programs could be added to this expanded Department as well, linking them to other development loan programs, and further centralizing credit control and delivery. However, some argue that the small business focus would be lost if SBA is not maintained as a separate agency. We are exploring this option.

Exhibit IX depicts the transfer of resources and personnel in this option.

° Programmatic Changes

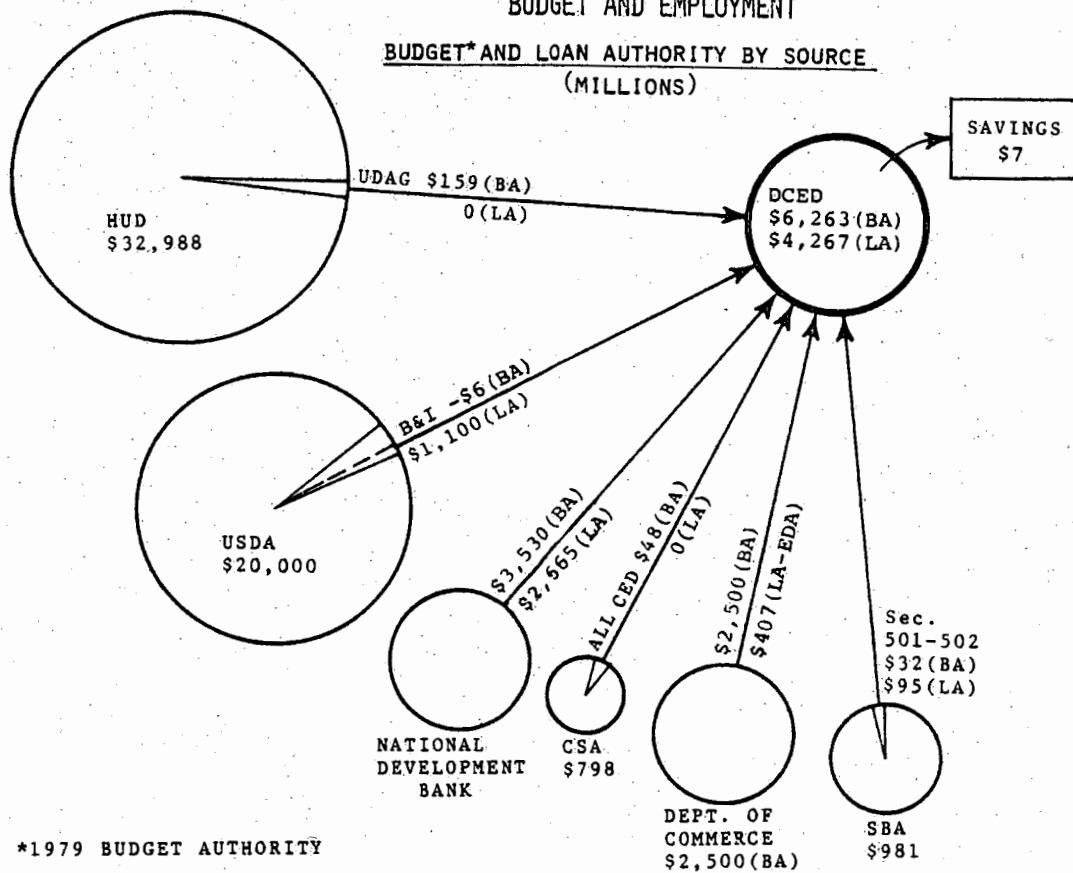
Like Option 1, this option would make possible the consolidation of Federal economic development programs, but not the other program reforms.

Advantages and Disadvantages

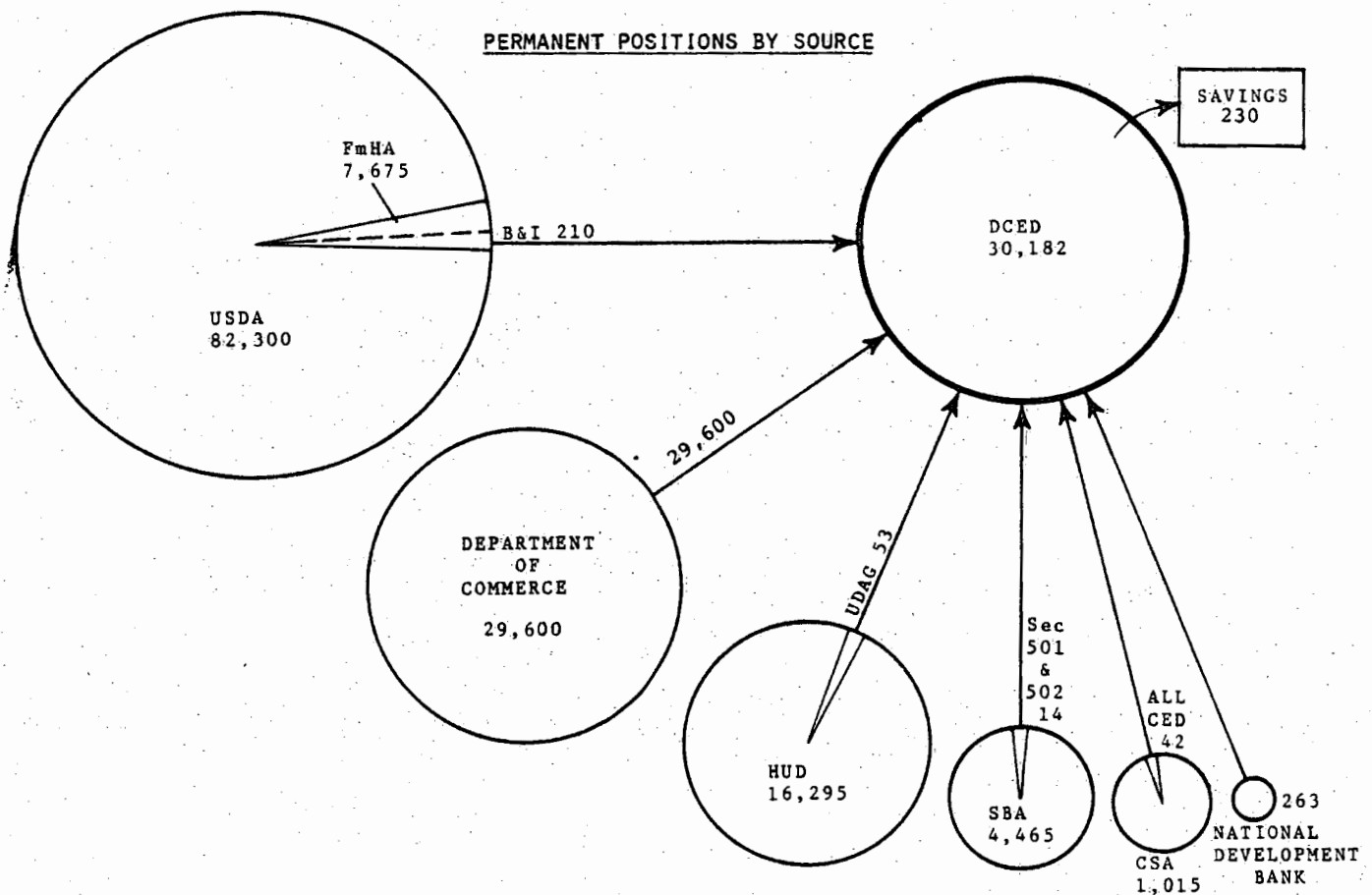
- ° This option would concentrate economic development program resources at the Federal level, much as Option 1 would. It would thus permit better evaluation of Federal economic development programs, streamline economic development assistance, and provide a home for the National Development Bank.
- ° The Federal Government could save \$7 million by consolidating scarce technical expertise, and standardizing and simplifying economic development program requirements.
- ° This option would allow the Administration to build on the pending EDA reauthorization and use it as a vehicle for consolidating economic development programs.
- ° By separating economic from community development, this option helps to ensure the business focus of economic development programs.
- ° This option also builds on EDA's reputation for strong management.
- ° Expanding economic development functions in Commerce increases the potential for targeting economic development funds to ameliorate trade and productivity problems, and vice versa.
- ° But: Recipients often use community and economic development funds for the same projects and do not distinguish among them in practice. In fact, much of the economic development assistance goes for public facilities.

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
BUDGET AND EMPLOYMENT

BUDGET* AND LOAN AUTHORITY BY SOURCE
(MILLIONS)



PERMANENT POSITIONS BY SOURCE



- ° But: The inconsistent standards, duplicative requirements and other problems caused by having community and economic development programs in different agencies would persist. In fact, this option would worsen it by pulling economic development out of two agencies where it is combined with community development (FmHA and HUD).
- ° But: It would be more difficult to consolidate development planning assistance or streamline rural community facilities programs.

Political Assessment

EDA's reputation among mayors has improved as it has spent an increasing proportion of its funds on city problems, although it is still seen as predominantly a rural agency in the field. Some mayors would support its expansion. Local development officials would support it as well.

The traditional urban coalition would oppose this proposal. Big city mayors and minority groups in particular would oppose any diminution of HUD or placement of the Bank in Commerce. Housing groups would also oppose this option. Governors would prefer a more complete consolidation. Rural groups would not favor transferring any part of Farmers Home.

Senate: The Banking (Proxmire) and Agriculture (Talmadge) Committees would oppose this option strongly, and the Public Works Committee (Randolph) is neutral.

House: The Public Works Committee (Johnson, Roe) would probably support this option. Ashley and the Banking Committee probably would oppose this option, although Ashley has said he is committed to any proposal that would ease the current situation. The Agriculture Committee (Foley) would probably oppose this option.

Other Alternatives Considered

- (a) Seek procedural change only: Some of the problems with Federal development programs could be relieved through better coordination and detailed procedural changes. In fact, the Interagency Coordinating Council has already made a start in this direction. Even if the reforms proposed above were adopted, this mechanism would still be needed to coordinate the numerous agencies and programs untouched by reorganization.

To rely on procedural coordination alone, however, seems unpromising. A long history of previous efforts to relieve program and organizational fragmentation through procedural change and coordination demonstrates few lasting successes.

- (b) Create separate Departments of Urban and Rural Development: This option would place all community and economic development programs for rural areas in Agriculture and all community and economic development programs for urban areas in HUD. It would appeal to rural groups and achieve some simplification. However, this option would be the most disruptive because it would require that EDA and CDBG each be split in two. It would raise programmatic problems because urban and rural areas are interdependent and because many communities, as their demographics change, would have to shift from one agency to another for funding.
- (c) Create a broader Department of Development Assistance: A number of other programs would fit well within the DDA concept and may be candidates for eventual inclusion. Because they are politically unfeasible or because their links to the agencies in which they now reside are too substantial to disturb, we have not included them in Option 1.
 - Employment and Training Administration (Labor)
 - Highway and Transit Programs (Transportation)
 - Wastewater Treatment Construction Grant Program (EPA)
 - Veterans Administration Housing Programs

III. Food and Nutrition

Our food system is big, complex, and constantly changing. These changes reflect trends in consumer habits, advancing technology, growing knowledge of the relationships between diet and health, and changing world economic conditions. By historical standards the food system has performed well. But new problems and new standards for evaluating the system are emerging.

We now expect the food system to help meet national health goals, aid in world diplomacy, contribute to wise resource use, and help meet other domestic and international needs. The current organizational structure of the Federal Government does not deal adequately with these new expectations and the conflicts that surround them.

The conflicts in the food system are many; farm prices versus retail prices, processing costs versus food safety, product promotion versus nutrition information, resource use versus resource preservation, and food aid and foreign trade versus domestic supplies and costs. Each of these conflicts must be dealt with in forging a food policy. Dealing with them is difficult under the best of circumstances. But the current organizational structure tends to make matters worse. Cabinet and independent agencies tend to be organized (or at least viewed as organized) around clienteles that are on one side or the other in these conflicts. This polarizes views on specific issues, invites extreme arguments, and impedes objective policy-making.

USDA has many food and nutrition programs; so does HEW. But neither has effectively represented the consumer in developing a food and nutrition policy. As a result, we have a weak policy (some would say no policy at all) and even minor program controversies sometimes rise to the White House for resolution.

Nutrition research, education, and surveillance are scattered throughout USDA and HEW and other Federal organizations. There is currently no place within the Federal Government where these important nutrition activities are integrated to develop more consistent and effective Federal programs. The Federal nutrition effort has been criticized as follows:

- It is unresponsive to consumer concerns and long-term public needs.
- It has low status and visibility in the Federal Government.

- ° It has limited accountability in terms of technical accuracy and appropriateness, as well as measures of effectiveness.
- ° There is poor coordination among organizations conducting nutrition-related activities.

Various Proposals Considered

Because of the need for more consistent national food and nutrition policy, we are considering proposals to increase the emphasis on nutrition research and policy in the Department of Agriculture. Specific organizational changes under consideration are:

- ° Change the name of USDA to the Department of Food and Agriculture (DFA)
- ° Clarify the following authorities and responsibilities between DFA and HEW:
 - nutrition research
 - nutrition surveillance, and
 - nutrition education
- ° Transfer to DFA the fish and wildlife services division of fisheries research in Interior; this would increase DFA's ability to develop and promote fresh water fish production and marketing.
- ° Leave in DFA the child feeding and nutrition education programs rather than transfer them to the new Department of Education.

We have also considered the following programs but have tentatively decided against recommending them for transfer:

- FDA's Bureau of Foods, presently in HEW
- The alcohol labelling authority, presently in Treasury's Bureau of Alcohol, Tobacco and Firearms
- Various fisheries and aquaculture programs in NOAA.

Enhancing consumer and nutrition functions in a separate and clearly identifiable unit in a Department of Food and Agriculture has the following advantages:

- Permit conflicts between food and nutrition policy and commercial agriculture (over food safety, price, labelling, chemical additives, etc.) to be worked out within a department.
- Provide a close relationship between nutrition research and farm production decisions.
- Give the Secretary of the DFA greater balance among his production and consumer constituency groups.
- Provide a strong Cabinet voice for a national food and nutrition policy.

Some of the disadvantages of this proposal are as follows:

- Despite the internal reorganization suggested above, there is concern that USDA's strong commodity and production interest will overwhelm consumer-oriented food and nutrition activities.
- HEW may be a more appropriate lead agency for nutrition policy because of the relationship between nutrition research and education and other health research and promotion activity within the department.
- USDA's conservative grower constituency may strongly object to any increased emphasis on nutrition programs in the Department of Agriculture.

Political Assessment

This proposal to create greater balance between consumer and producer interests in a renamed Department of Food and Agriculture is strongly supported by Secretary Bergland. Esther Peterson also endorses it, as do leaders of the agriculture committees in the House and Senate. Consumer groups will also endorse this initiative. Joe Califano will probably object to it, on the basis that HEW is better qualified to do health-oriented nutrition research and that nutrition policy will always be subordinated to commodity interests in the DFA.

Giving the Agriculture Department this enhanced role in nutrition policy may be helpful to natural resources and development assistance reorganization. It is important to indicate that transfer of the Forest Service and portions of the Soil Conservation Service and Farmers Home Administration is not meant to downgrade or weaken the Department. Giving the Department the lead role in an increasingly important policy area may help to relieve this concern.

IV. Department of Commerce

A. The Problem

Our study of economic policymaking in the Executive Branch has pinpointed critical deficiencies in our ability to effectively promote trade and to perform quality microeconomic (sectoral) analysis. In both areas, program fragmentation is a major cause of the problem. There has also been widespread comment that the disparate and unrelated activities of the Commerce Department today hinder its effectiveness because of a lack of organizational focus. Exhibit X describes the Federal trade, economic and business assistance programs and Exhibit XI depicts the organizational fragmentation.

° Strong sectoral analysis is not available for decisionmaking.

No one agency has the tools to analyze sectors of the economy. Although the Council on Wage and Price Stability is assembling a temporary staff to monitor the activities of about 400 large firms for the anti-inflation program, no permanent center exists. Resources are scattered across the government devoted to particular industries and problems. Their work is uncoordinated, leaving large gaps in coverage, little capacity to anticipate future problems (such as material shortages), and little ability to target resources on particular problems (such as the impact of government regulation in specific industries).

° Federal trade machinery lacks leadership and consistency.

No one official can provide leadership in trade policy, set priorities or deal effectively with trading authorities of other nations. In fact, Federal agencies often work at cross purposes. In one case, for example, the STR was negotiating orderly marketing arrangements on color televisions with Japan while Treasury was in the process of developing anti-dumping duties. In another case, Treasury was working to protect the American steel industry from increasing imports, while the Export-Import Bank was negotiating to finance sales to Trinidad and Tobago of steel mill equipment to produce steel exports destined for the U.S. market.

° Business services are provided by several agencies which duplicate services and compete with each other.

The system is wasteful, with hundreds of duplicative field office personnel. It is also confusing to businessmen, who must cope with the Small Business Administration, the Office of Minority Business Enterprise, or the Industry and Trade Administration (Commerce) depending on the nature of the problem and where the funds are available.

B. Options

The case for improving economic policymaking capacities of the Executive Branch must be examined in the context of the other reorganization options discussed earlier. The effect of establishing the Departments of Natural Resources and Development Assistance, is to remove about half the Department of Commerce staff and budget. Our natural resources, local development, and economic policymaking studies converge to require a careful reexamination of the future of the Department of Commerce.

We have completed sufficient analysis to identify several credible Commerce Department options. Each has pros and cons -- substantive and political. None, however, has been sufficiently explored within the Executive Branch or with Congress and interest groups to warrant a recommendation now. We plan to review each of these options intensively over the next several weeks. We will have a recommendation to you regarding the

Commerce Department by the end of January. The following options are under consideration:

1. Department of Commerce and Trade

A new Department of Commerce and Trade (DCT) would build on the present Department of Commerce (except for the National Oceanic and Atmospheric Administration and the non-trade related functions of the Economic Development Administration). It would include the Special Trade Representative (now in the Executive Office of the President), the Small Business Administration, two independent agencies (the Export-Import Bank and the International Trade Commission), and functions from the Treasury, State and Interior Departments (such as sectoral analysis, anti-dumping and countervailing duties, and commercial attaches).

2. Department of Trade and Economic Development

Should you decide to separate community development and economic development and make Commerce the economic development agency, you might also decide to enhance Commerce as a trade agency. These decisions would result in creating a Department of Trade and Economic Development.

3. Retain the Commerce Department as is

Better coordination of functions could be accomplished through an Executive order establishing appropriate coordination mechanisms. For example, the Interagency Trade Policy Committee chaired by the Special Trade Representative, could be given expanded authority within the Executive Branch. Without its public works and oceans and weather responsibilities, the Department could focus on its business policy functions and traditional corporate constituency.

Department or Agency	Office	Clients	Budget (M)	Personnel	Mission
International Trade Commission	All	Business community, U.S. trade representatives, Fed. Agencies	13.1	395	Studies industries affected by imports and recommends remedial actions.
Treasury	Bur. of Com. modities & Natural Resources	Businesses dealing in certain commodities	1.4	31	Studies trade commodities to develop and recommend U.S. trade policy.
	Tariff Affairs	Business community	.3	12	Monitors imports and prices and recommends anti-dumping actions.
	Int'l Trade & Investment	Ex-Im Bank, business community	.4	15	Provides policy guidance for U.S. investments, East-West Trades, Ex-Im Bank.
	Foreign Assets Controls	Business community, U.S. interests	.2	10	Enforces embargoes.
Interior (Bureau of Mines)	Sectoral Analysis	U.S. mining interests	1.7	48	Monitors and performs economic analysis on mining industries.
Commerce	Industry and Trade Admin.	Small and medium-sized businesses	43.0	1005	Promotes exports and provides assistance to domestic business.
	Bureau of Economic Analy.	Government, business, academe	14.5	490	Prepares and interprets nat. income, & product, regional, interindustry and int'l accounts.
	Census	Government, business, academe	288.0	4000	Collects, tabulates and publishes statistics on population, industry, governments, transportation.
	OMBE	Minority businesses	50.0	230	Promotes establishment and strengthening of minority businesses.
	Science & Technology	Business, academe, science community	94.3	1887	Manages U.S. weights and measures system and performs basic and applied research.
	Patent Office	Inventors, business community	14.7	2894	Encourages innovation by protecting economic interests of investors.
	MARAD	Ship owners, operators, unions	670.0	1400	Subsidizes and promotes U.S. shipping.
	EDA Trade Adj. Asst.	Firms injured by imports	95.0	20	Provides financial and technical assistance to firms injured by imports.
Export-Import Bank	All	Exporting businesses	13.5 (5.3 B Loan Program)	430	Promotes and finances U.S. exports.
Small Business Administration	All	Small and medium-sized businesses	949.0	4451	Provides financial and technical assist- ance to U.S. businesses.
Special Trade Representative	All	Trading partners, industry	2.7	41	Administers the trade agreements program and directs U.S. trade negotiations.
State	Commercial Attaches	Business community, Federal agencies	21.8	175	Fosters and provides assistance to U.S. business abroad.

Agency	Sectoral Analysis	Impact of Regulation	Foreign Trade	Productivity Growth	Business Services
COMMERCE (Science & Technology, Industry & Trade Adm., Patent Office, MARAD, Census, BEA)	Collects and analyzes data on U.S. industries (production, consumption, capacity, etc.).		Provides U.S. Bus. with information services; arranges overseas sales events, trade promotions. Coordinates East-West trade promotions.	Conducts research into basic properties of materials; promotes use of available technology. Conducts Tech. Incentives Program.	Provides assistance and information on Fed. programs to business through network of field offices.
INTERNATIONAL TRADE COMMISSION	Studies industries affected by imports.		Recommends on tariff and non-tariff issues.		
TREASURY (Bureau of Commodities & Natural Resources, Office of Foreign Assets Controls; Office of Tariff Affairs; Office of International Affairs)	Studies internationally traded commodities, such as bauxite, coffee, copper, tin, etc., to back up U.S. inter- national commodity policies.		Policy guidance for direct international investment; East-West trades; and Export-Import Bank. Embargo enforcement. Anti-dumping; counter-vailing duties.		
INTERIOR (Bureau of Mines - Sectoral Analysis)	Compiles and analyzes information on mineral resource development (incl. exploration, production, prices, and trade).				
EXPORT-IMPORT BANK			Aids financing to promote U.S. exports.		
SMALL BUSINESS ADMINISTRATION					Loan assistance programs; manage- ment programs.
SPECIAL TRADE REPRESENTATIVE			Trade negotiations.		
STATE (Commercial Attaches)					Information about business opportuni- ties for U.S. firms

V. Implementation and Next Steps

A. Using Reorganization Authority

As you know, reorganization authority cannot be used to abolish a Department or all of its functions. It can, however, transfer parts of Departments and be used to rename Departments. To save time and political capital, we want to do as much as possible by reorganization plan. Using plans to accomplish reorganizations of this magnitude will fulfill expectations created when we sought reorganization authority from Congress in 1977. Up to now we have used the authority for only small efforts. After talking with leaders in the House and Senate, we are confident we can overcome any legal or political arguments against using plans for this purpose.

Two plans will be required to implement major natural resource and local development reorganization. If you decide to strengthen trade functions in a new Department of Trade and Commerce, a third plan will be necessary later in the year. Regular legislation will be required to carry out the program consolidations suggested in the Development Assistance proposal. The most important of these consolidations can be made a part of legislation to reauthorize the Economic Development Administration which will be pending this Spring.

B. State of the Union Announcement

If you decide to approve major reorganization proposals, we believe they should be part of the State of the Union Announcement, for these reasons:

- (1) The cost savings, personnel reductions, program simplification, and reduction of red tape which are objectives of the plan should have broad, popular appeal and fit well with the economy/anti-inflation themes planned for your address.
- (2) Taken in conjunction with education reorganization, these proposals will provide impressive evidence that this Administration has the vision to create a government structure appropriate to future challenges. This may provide some balance to the retrenchment implications of inflation fighting and budget cutting.

C. Other Reorganization Projects

Several other plans are also being prepared -- including recommendations on consolidation of foreign assistance programs, consolidation of UMTA and the Federal Highway Administration, and consolidation of Inspection Authority for the Alaska Natural Gas Pipeline. We will have to schedule these as time permits next year, with a clear understanding that our chief emphasis must be on education and major reorganization plans.

1:30 PM
2:00 PM
2:30 PM

THE WHITE HOUSE
WASHINGTON

January 12, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON *Jack*
SUBJECT: Meetings on Reorganization Proposals -
Secretary Kreps 1:30 p.m. (15 mins.)
Secretary Harris 2:00 p.m. (15 mins.)
Secretary Andrus 2:30 p.m. (15 mins.)
Monday, January 15, 1979 (Oval Office)

These brief meetings have been scheduled at the recommendation of Stu, Jim and myself to afford each Secretary an opportunity to give you their views on the proposed reorganization alternatives before you make final decisions.

Secretary Bergland was offered a similar meeting but indicated that he did not need to see you on reorganization issues. He feels that his views have been well aired and heard throughout the process. He is, of course, immediately available to see you if you wish to speak with him after talking with Juanita, Pat and Cece.

Juanita and Pat will want to discuss the several options for organizing development assistance and locating the proposed urban bank.

Cece wants to discuss the proposed Department of Natural Resources.

It is our strong recommendation that you reserve judgment on any recommendation or comment made during these meetings. OMB's recommendations will come to you after being fully staffed.

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for Preservation Purposes

9:00 AM

THE WHITE HOUSE
WASHINGTON

January 12, 1979

2

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON *Jack*
SUBJECT: Proposed Agenda for Cabinet
Meeting, Monday, January 15, 1979
Cabinet Room (2 hours)

Domestic Issues

(1) Budget - FY 1980

Jim sent a note suggesting that you briefly mention the new Budget Task Force that has been created to monitor the successful adoption of your FY 80 budget. It would be helpful for you to stress the importance of the Task Force and the importance you personally attach to holding the line on your budget.

The FY 80 budget will be publicly released on January 22. You may want to ask each Cabinet Secretary to insure that his/her colleagues support the overall budget when conducting briefings for Departmental interest groups and press.

(2) Legislative Agenda

The Vice President will be prepared to discuss the 1979 legislative agenda with the Cabinet. If you want him to do so, he should be called upon early in the meeting, since he has to leave early to swear-in new senators on the Hill. His staff assistant for domestic affairs, Gail Harrison, will attend this portion of the meeting.

(3) Reorganization

Jim and I think it would be useful if you spent a minute making clear that you have not made any final decisions on the several reorganization proposals. We believe you should point out that public discussion and/or lobbying in behalf of specific options by people in the Administration does not serve you well.

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for Preservation Purposes

Foreign Issues

(1) Iran

Cy will be prepared to brief the Cabinet on the status of the situation in Iran.

(2) Cambodia

Cy has also indicated that he will be prepared to brief the Cabinet on developments in Cambodia.

(3) SALT

You may wish to brief the Cabinet on the status of SALT II negotiations.

Economic Issues

(1) Charlie Schultze is prepared to report on the current economic indicators.

(2) You might call on Fred Kahn for a status report.

cc: The Vice President



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

January 11, 1979

MEMORANDUM FOR:

THE PRESIDENT

FROM:

JAMES T. MCINTYRE, JR. *Jim*

Subject:

Announcement of the Budget
Task Force at the Cabinet
Meeting on January 15, 1979

The discussion of the FY 1980 budget at your Cabinet meeting provides an opportunity to talk about the formation of the Budget Task Force. I believe the Cabinet should hear directly from you that you have personally approved this concept. This is essential to obtaining the cooperation of the sub-Cabinet and senior career staff in the major departments.

I suggest you stress the following points (written from your point of view):

- .. I have approved the creation of a White House Budget Task Force whose purpose is the development and implementation of a coordinated strategy for successfully presenting the FY 1980 budget. (Similar task forces were organized for several issues last year with successful results.)
- .. The task force includes members of White House Congressional Liaison, OMB, other White House and EOP staff, as well as participants from various Cabinet departments, as appropriate.
- .. Four congressional liaison specialists have been detailed to Frank Moore's staff from departments in order to support the Budget Task Force. Those people will help Frank's permanent staff during consideration of the budget resolution, appropriations bills, and budget-related legislation.
- .. The task force will also bring together representatives from other White House offices, such as media and public awareness, to focus more directly on the budget. The activities of the task force will be coordinated by Hubert L. Harris, Jr., Assistant Director of OMB.

- .. House and Senate Leadership support this task force effort.
- .. Members of the task force will work closely with agency budget personnel and CL staff; they will be contacted shortly to begin discussions on coordinated legislative strategies.
- .. The considerable importance of this budget requires all of us to work very hard to gain congressional support. It is a high priority of mine to have the budget's totals and priorities approved by the Congress.

CONGRESSIONAL
LIAISON COMMENT

THE WHITE HOUSE

WASHINGTON

January 13, 1979

MEMORANDUM TO THE PRESIDENT

FROM:

FRANK MOORE

by /s/ Francis

SUBJECT:

McIntyre Memo Regarding Budget Task Force

I concur with Jim McIntyre's suggestion that you talk briefly about the Budget Task Force at Monday morning's Cabinet meeting. The points Jim has outlined for you are appropriate for the purpose. I would only add that you should stress that this is a joint White House/OMB effort, a project to which you personally have paid considerable attention already, and one which you intend to follow closely during the course of the year.

In addition to commenting about the Budget Task Force, I would also urge you to stress once again how important you regard the relationship between Cabinet Officers and their respective Congressional Liaison staffs. Suggested talking points follow:

- The 96th Congress, which convenes today, presents us with a new set of opportunities, as well as new challenges.
- All in all, our record with the 95th Congress was noteworthy. One important reason for our successes was the close cooperative relationship between Cabinet departments and the White House on priority issues. I am committed to making sure that that close working relationship continues in the next two years and in fact becomes even closer.
- Because events, trends, decisions, etc., on the Hill dictate, to large extent, our strategies and determine our successes, it is essential that I be kept constantly informed of what's going on in Congress. To do that, I meet with Frank every day; sometimes several times a day. I also receive regular written reports from him and his staff.

- It is just as important for you to have that kind of relationship with your Congressional Liaison staffs as it is for me to have with mine. I want you to meet with them every day -- if possible -- to receive reports and to discuss strategy with them.
- If I can ever help resolve a Congressional problem your staff encounters, please have them let Frank know. In addition to being my representatives on the Hill, Frank's staff exists to be of assistance to you and your staff on Congressional matters.

THE WHITE HOUSE

WASHINGTON

January 12, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER *HC*

SUBJECT: Weekly Mail Report (Per Your Request)

Below are statistics on Presidential and First Family:

<u>INCOMING</u>	<u>WEEK ENDING 1/5</u>	<u>WEEK ENDING 1/12</u>
Presidential	20,805	27,620
First Lady	4,235	1,190
Amy	170	190
<u>Other First Family</u>	<u>90</u>	<u>50</u>
TOTAL	25,300	29,050

BACKLOG

Presidential	5,615	7,040
First Lady	365	130
Amy	0	0
<u>Other</u>	<u>0</u>	<u>0</u>
TOTAL	5,980	7,170

DISTRIBUTION OF PRESIDENTIAL MAIL ANALYZED

Agency Referrals	19%	15%
WH Correspondence	44%	47%
Unanswerable Mail	19%	17%
White House Staff	4%	4%
Greetings Requests	13%	15%
<u>Other</u>	<u>1%</u>	<u>1%</u>
TOTAL	100%	100%

NOT INCLUDED ABOVE

Form Letters	1,536	0
Form Post Cards	2,220	2,200
Mail Addressed to White House Staff	12,063	15,779

cc: Senior Staff

MAJOR ISSUES IN
CURRENT PRESIDENTIAL ADULT MAIL
Week Ending 1/12/79

ISSUES	PRO	CON	COMMENT ONLY	NUMBER LETTERS
Support for Recognition of People's Republic of China	13%	85%	2%	1,583
Support for Deregulation of Trucking Industry	10%	90%	0	696
Support for President's Position re: Middle East	2%	79%	19%	557
Support for Deporting Iranian Demonstrators	96%	4%	0	490
Support for Funding of Older Americans Act Programs	100%	0	0	293
Support for President's Program to Deal with Inflation	16%	24%	60%	278
Support for Pardon for Patricia Hearst	93%	7%	0	196
Support for Reduction of COLA for Federal Retirees (1)	0	100%	0	119
			Total	4,212

(1) SUPPORT FOR REDUCTION OF COLA FOR FEDERAL RETIREES
(100% Con)

Claiming that they are the victims of inflation,
Federal retirees object to being penalized with
any reduction of their Cost of Living Adjustments.